

Surrey Aquatechnology Limited
Annual report and financial statements
31 December 2016



Surrey Aquatechnology Limited (05698169)
Annual report and financial statements
Year ended 31 December 2016

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Surrey Aquatechnology Limited (05698169)
Officers and professional advisers
Year ended 31 December 2016

Board of directors Simon Humphrey
 Tony Schumacher

Company secretary Toby Schumacher

Registered office Bramley House
 The Guildway
 Old Portsmouth Road
 Guildford
 Surrey
 GU3 1LR

Bankers HSBC Bank plc
 HSBC House
 Mitchell Way
 Southampton
 Hampshire
 SO18 2XU

The directors present their report and the unaudited financial statements of the company for the year ended 31 December 2016.

Principal activities

The company's principal activity is the development of technology to purify saltwater and other liquid in an efficient and cost-effective manner.

Review of the business, research and development and future developments

The statement of comprehensive income is set out on page 5. The loss for the financial year was £65,509 (2015: loss £75,589). The directors are unable to recommend the payment of a dividend (2015: £nil).

The company is part of the Modern Water plc group and further details of the group's performance for the year and future developments, including research and development activity, are set out in the strategic report on pages 3 to 7 of the annual report of Modern Water plc, the immediate and ultimate parent company, which does not form part of this report.

Going concern

The directors have received confirmation that Modern Water plc will continue to support the company for at least a year following the date of this report and hence believe that the going concern assumption of the basis of preparation of the financial statements remains appropriate, notwithstanding the net current liabilities position of the company.

Directors

The directors of the company who were in office during the year and up to the date of signing the financial statements were as follows:

Simon Humphrey
Toby Schumacher

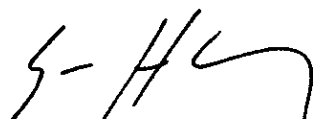
Directors' liability insurance

Modern Water plc has maintained liability insurance for the directors and officers of the company throughout the year and up to the date of approval of the financial statements. This is a qualifying third party indemnity provision for the purposes of the Companies Act 2006.

Disclosure exemptions

These financial statements have been prepared in accordance with FRS101 'Reduced Disclosure Framework'. As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under the standard in relation to share-based payments, presentation of a cash flow statement, standards not yet effective, impairment of assets and related party transactions.

Signed on behalf of the board



Simon Humphrey
Director
23 June 2017

Surrey Aquatechnology Limited (05698169)
Statement of comprehensive income
Year ended 31 December 2016

Income Statement

(All amounts in £ unless otherwise stated)

	Note	2016	2015
Revenue		-	-
Cost of Sales		-	-
Gross profit		-	-
Distribution costs		-	-
Administrative expenses	2	(65,484)	(75,964)
Other (expense)/income		-	-
Operating profit		(65,484)	(75,964)
Income from subsidiary		-	-
Income from associated undertakings		-	-
Profit on ordinary activities before interest and taxation		(65,484)	(75,964)
Finance income		-	-
Finance costs		(25)	(25)
Finance costs - net		(25)	(25)
Profit on ordinary activities before income tax		(65,509)	(75,989)
Income tax expense	3	-	-
Profit for the year		(65,509)	(75,989)

Statement of comprehensive income

(All amounts in £ unless otherwise stated)

	Note	2015	2015
Profit for the year		(65,509)	(75,989)
Other Comprehensive Income:			
Items that will not be reclassified to profit or loss			
Foreign currency translation differences on foreign operations		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		(65,509)	(75,989)

Statement of financial position

(All amounts in £ unless otherwise stated)

	Note	2016	2015
Fixed assets			
Intangible assets	4	473,923	469,520
Property, plant and equipment	5	-	-
Investments in subsidiaries		-	-
Investments in associated undertakings		-	-
		473,923	469,520
Current assets			
Inventory		-	-
Trade and other receivables	6	3,908	6,203
Cash and cash equivalents		-	461
		3,908	6,664
Payables - amounts falling due within one year	7	(1,921,195)	(1,854,039)
Net current assets		(1,917,288)	(1,847,375)
Total assets less current liabilities		(1,443,365)	(1,377,855)
Payables - amounts falling due after one year		-	-
Provisions for liabilities		-	-
Net Assets		(1,443,365)	(1,377,855)
Equity			
Ordinary shares	8	100	100
Share premium		1,011,612	1,011,612
Revaluation reserve		-	-
Retained earnings	9	(2,455,077)	(2,389,567)
Total shareholders' funds	10	(1,443,365)	(1,377,855)

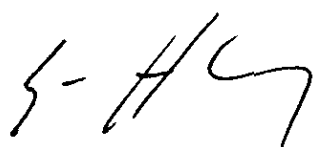
Audit exemption statement

For the year ending 31 December 2016 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities

- the members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476.
- the directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements on pages 6 to 12 were approved by the Board of directors and signed on its behalf by:



Simon Humphrey
Director
23 June 2017

Surrey Aquatechnology Limited (05698169)

Statement of Changes in Equity

Year ended 31 December 2016

Statement of changes in equity

(Amounts in £ unless otherwise stated)

	Share Capital	Share Premium	Revaluation reserve	Profit and Loss	Total
Balance 1st Jan 2015	100	1,011,612	-	(2,313,579)	(1,301,867)
Profit for period	-	-	-	(75,989)	(75,989)
Balance 31st Dec 2015	100	1,011,612	-	(2,389,567)	(1,377,855)
Balance 1st Jan 2016	100	1,011,612	-	(2,389,567)	(1,377,855)
Loss for period	-	-	-	(65,509)	(65,509)
Balance 31st Dec 2016	100	1,011,612	-	(2,455,077)	(1,443,365)

Company Information

Surrey Aquatechnology Limited is a private company limited by shares and incorporated in England and Wales. The Registered office is Bramley House, Old Portsmouth Road, Guildford, Surrey GU3 1LR.

1. Accounting policies

The principal accounting policies, which have been applied consistently throughout the year, are set out below.

(a) Accounting Convention

These financial statements have been prepared in accordance with FRS101 'Reduced Disclosure Framework'. As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under the standard in relation to share-based payments, presentation of a cash flow statement, standards not yet effective, impairment of assets and related party transactions.

(b) Going Concern

The directors have received confirmation that the parent company, Modern Water plc, will continue to support the company for at least a year following the date of approving these financial statements and hence believe that the going concern assumption of the basis of preparation of the financial statements remains appropriate, notwithstanding the net current liabilities

(c) Intangible fixed assets

Patents: Acquired patents are initially recognised at historical cost. They have a finite useful life and are subsequently carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of patents over their estimated useful economic lives of 20 years from filing date.

Know-how: The ordinary share capital subscribed for by the technology inventors (A Sharif and University of Surrey) has been fair valued based on the subscription price paid by third parties to acquire shares in the company at the same time. The difference between the fair value and the price paid has been recognised as know-how, an intangible fixed asset to be amortised on a straight line basis over five years.

(d) Impairment

Assets that are subject to amortisation are tested for impairment when events or a change in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying value exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and the value in use.

(e) Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Cost includes expenditure that is attributable to the acquisition of the items. Depreciation is provided on all tangible fixed assets on a straight-line basis at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life, as follows:

Plant and machinery 3 - 4 years

(f) Research and development

Expenditure on research activities is recognised as an expense in the year in which it is incurred.

Any internally generated development intangible fixed asset is recognised only if all of the following are met:

- the related expenditure is clearly identified and is part of a defined project
- future economic benefits are reasonably certain to be generated by the project and
- adequate resources exist, or are reasonably expected to exist, to enable the completion of the project.

Where no internally generated intangible fixed asset can be recognised, development expenditure is recognised as an expense in the year in which it is incurred. Internally generated intangible fixed assets are amortised on a straight-line basis over three years.

(g) Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

2. Employee benefits

There are no employees in the company and any directors' remuneration during the period has been borne by other companies within the Modern Water plc group.

3. Tax on profit on ordinary activities

Current Tax: The tax currently payable is based on taxable profits for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it excludes items that are never taxable or deductible. The company's liability for the current tax is calculated using tax rates that have been enacted, or substantively enacted, by the reporting date.

Deferred Tax: has been provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The balance has not been discounted.

4. Intangible assets

	Know-how	Development costs	Patents	Total
	£	£	£	£
Cost				
At 1 January 2016	377,657	130,966	707,176	1,215,799
Acquisitions	-	-	37,014	37,014
At 31 December 2016	377,657	130,966	744,191	1,252,814
Accumulated amortisation				
At 1 January 2016	377,657	130,966	237,657	746,280
Charge	-	-	32,611	32,611
At 31 December 2016	377,657	130,966	270,268	778,891
Net book value				
At 31 December 2016	-	-	473,923	473,923
At 31 December 2015	-	-	469,520	469,520

5. Property plant and equipment

	Plant and machinery
Cost	£
At 1 January 2016 and 31 December 2016	436,505
Depreciation	
At 1 January 2016	436,505
Charge	-
At 31 December 2016	436,505
Net book value	
At 31 December 2016	-
At 31 December 2015	-

6. Receivables

	2016	2015
	£	£
Other receivables	3,908	6,203

7. Creditors: amounts falling due within one year

	2016	2015
	£	£
Trade creditors	9,025	18,053
Amounts owed to group undertakings	1,912,170	1,835,987
Accruals and deferred income	-	-
	1,921,195	1,854,039

Amounts owed to parent and group undertakings are non interest bearing, repayable on demand and have no securities attached to them.

8. Called up share capital

Authorised, Allotted and fully paid	2016	2015
	£	£
100,000 (2015: 100,000) Ordinary shares of £0.001 each	100	100

9. Reserves

	Share premium account £	Profit and loss account £
At 1 January 2016	1,011,612	(2,389,567)
Loss for the financial year	-	(65,509)
At 31 December 2016	<u>1,011,612</u>	<u>(2,455,077)</u>

10. Reconciliation of movements in shareholders' deficit

	2016 £	2015 £
Loss for the financial year	(65,509)	(75,989)
Opening shareholders' deficit	<u>(1,377,855)</u>	<u>(1,301,867)</u>
Closing shareholders' deficit	<u>(1,443,365)</u>	<u>(1,377,855)</u>

11. Related party transactions

The company has taken advantage of the exemption under FRS 101 in not disclosing details of transactions with other companies which are 100% owned by Modern Water plc.

12. Ultimate controlling party

The immediate and ultimate controlling party is Modern Water plc, a company registered in England and Wales, which is the parent company of the smallest and largest group to consolidate these financial statements. Modern Water plc holds 100% of the allotted ordinary share capital of the company.

The results of the company are included in the consolidated financial statements of Modern Water plc, copies of which are available from the Company Secretary, Modern Water plc, Bramley House, The Guildway, Old Portsmouth Road, Guildford, Surrey GU3 1LR.