

**IWATER GROUP LIMITED**

**UNAUDITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2019**

|  | Note | 2019<br>£        | As restated<br>2018<br>£ |
|--|------|------------------|--------------------------|
| <b>Fixed assets</b>                            |      |                  |                          |
| Investments                                    | 4    | 1,008,911        | 564,125                  |
|  |      | <u>1,008,911</u> | <u>564,125</u>           |
| <b>Current assets</b>                          |      |                  |                          |
| Debtors: amounts falling due within one year   | 5    | 165,089          | 590,974                  |
| Cash at bank and in hand                       | 6    | 1,936,179        | 8,105                    |
|  |      | <u>2,101,268</u> | <u>599,079</u>           |
| Creditors: amounts falling due within one year | 7    | (51,035)         | (213,018)                |
| <b>Net current assets</b>                      |      | <u>2,050,233</u> | <u>386,061</u>           |
| <b>Total assets less current liabilities</b>   |      | <u>3,059,144</u> | <u>950,186</u>           |
| <b>Net assets</b>                              |      | <u>3,059,144</u> | <u>950,186</u>           |
| <b>Capital and reserves</b>                    |      |                  |                          |
| Called up share capital                        |      | 115,919          | 8,651                    |
| Share premium account                          |      | 4,098,237        | 1,308,305                |
| Profit and loss account                        |      | (1,155,012)      | (366,770)                |
|  |      | <u>3,059,144</u> | <u>950,186</u>           |

**BALANCE SHEET (CONTINUED)**  
**AS AT 31 DECEMBER 2019**

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The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

**Jeffrey Martin Kinn**  
Director

Date: 29 December 2020

The notes on pages 3 to 6 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**1. General information**

iWater Group Limited is a private company, limited by shares, and incorporated in England and Wales. The company's registered office is C/O Solicitors Cannon Place, 78 Cannon Street, London, EC4N 6AF. The principal activity of the company is the supply of environmental products and acting as a holding company.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The financial statements include prior year adjustments in respect of the figures at 31 December 2018. The figures for 31 December 2018 have therefore been restated, see note 8.

The following principal accounting policies have been applied:

**2.2 Foreign currency translation**

**Functional and presentation currency**

The Company's functional and presentational currency is GBP.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

**2.3 Interest income**

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

**2.4 Borrowing costs**

All borrowing costs are recognised in the Statement of comprehensive income in the year in which they are incurred.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**2. Accounting policies (continued)**

**2.5 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

**2.6 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.7 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**2.8 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**2.9 Financial instruments**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.9 Financial instruments (continued)

rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

3. Employees

The average monthly number of employees, including directors, during the year was 5 (2018 - 3).

4. Fixed asset investments

|                          | Investments in<br>subsidiary<br>companies<br>£ |
|--------------------------|--|
| <b>Cost or valuation</b> |  |
| At 1 January 2019        | 564,125  |
| Additions                | 444,786  |
|                          | <hr/>  |
| At 31 December 2019      | <u>1,008,911</u>                               |

5. Debtors

|                                | 2019<br>£      | As restated<br>2018<br>£ |
|--------------------------------|----------------|--------------------------|
| Other debtors                  | 165,089        | 89,207                   |
| Prepayments and accrued income | -              | 501,767                  |
|                                | <hr/>          | <hr/>                    |
|                                | <u>165,089</u> | <u>590,974</u>           |

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**6. Cash and cash equivalents**

|                          | <b>2019</b>             | 2018         |
|--------------------------|-------------------------|--------------|
|                          | <b>£</b>                | £            |
| Cash at bank and in hand | <b>1,936,179</b>        | 8,105        |
| Less: bank overdrafts    | -                       | (2,817)      |
|                          | <u><b>1,936,179</b></u> | <u>5,288</u> |

**7. Creditors: Amounts falling due within one year**

|                                    | <b>2019</b>          | As restated<br>2018 |
|------------------------------------|----------------------|---------------------|
|                                    | <b>£</b>             | £                   |
| Bank overdrafts                    | -                    | 2,817               |
| Trade creditors                    | <b>28,291</b>        | -                   |
| Amounts owed to group undertakings | <b>18,744</b>        | -                   |
| Other creditors                    | -                    | 210,201             |
| Accruals and deferred income       | <b>4,000</b>         | -                   |
|                                    | <u><b>51,035</b></u> | <u>213,018</u>      |

**8. Prior year adjustments**

There is a prior year adjustment to reflect the recognition of share premium in the period to 31 December 2018, which had not been reflected in the financial statements at 31 December 2018, together with related debtors and creditors in respect of these share allotments.

Share capital has decreased by £1,662,448, share premium has increased by £1,541,454, debtors have increased by £89,207 and creditors have increased by £210,201 in respect of these allotments.

There has been a further prior year adjustment to recognise the correct value of the company's fixed asset investment as at 31 December 2019.

Investments has decreased by £200,000 whilst debtors have increased by £200,000 in respect of the restatement.

In addition to the above, there was a further prior year adjustment to recognise legal and professional fees incurred that were directly attributable to shares issued during the period by the company.

Share premium has decreased by £233,149 whilst the company's administrative expenses have also decreased by £200,000 in respect of this adjustment.

Net assets have decreased by £120,995 as at 31 December 2018.





This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.