

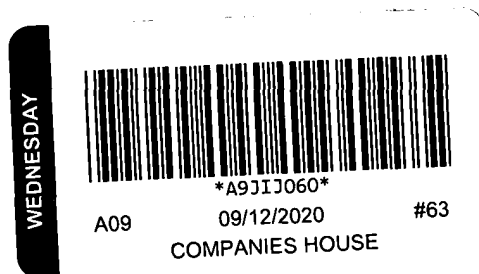
**AquaVenture (BVI) Holdings
Limited**

Annual Report and Financial Statements

Year Ended

31 March 2020

Company Number 07890599



AquaVenture (BVI) Holdings Limited

Company Information

Directors	K H F Hung C M Schafer
Registered number	07890599
Registered office	Suite 1 3rd Floor 11-12 St. James's Square London SW1Y 4LB
Independent auditor	BDO LLP 2 City Place Beehive Ring Road Gatwick West Sussex RH6 0PA

AquaVenture (BVI) Holdings Limited

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AquaVenture (BVI) Holdings Limited

Strategic Report For the Year Ended 31 March 2020

The directors present their strategic report together with the audited financial statements for the year ended 31 March 2020.

Financial review

During the year ended 31 March 2020, AquaVenture (BVI) Holdings Limited the ("company") continued to act as a holding company for its subsidiary undertaking which performed the operations and maintenance of the Sea Water Reverse Osmosis water facility at Paraquita Bay (the "SWRO" facility) in the British Virgin Islands, ("BVI"). During the year ended 31 March 2020, the company had a profit before tax of \$2.5m.

Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to a number of risks. Prime amongst these relate to operational and financial performance in the context of the subsidiaries' contractual obligations and credit risk in connection with its customer, the Government of the British Virgin Islands. Strategies are in place to mitigate these uncertainties and include a range of management review procedures and subcontracting performance responsibility to an entity with expertise in water desalination operation and management.

During the year the seriousness of the Coronavirus (Covid-19) pandemic became clear and remains a clear risk for the immediate future, this is discussed more fully in the Directors' Report.

Analysis using financial key performance indicators

Our key financial performance indicators were considered to be the following:

- Investment value of \$15.3m (2019 - \$15.3m)
- Income from subsidiary undertakings of \$2.5m (2019 - \$3.7m)

The directors do not consider there to be any other key performance indicators.

Outlook

The company believes the performance of the investment will continue at a consistent level for the foreseeable future. Operating costs in future periods are expected to remain consistent.

This report was approved by the board on
on its behalf.

November 21, 2020

and signed



C M Schafer
Director

AquaVenture (BVI) Holdings Limited

The directors present their report together with the audited financial statements for the year ended 31 March 2020.

Principal activities

The principal activity of the company is to act as an intermediate non-trading holding company for the group.

Results and dividends

The profit for the year, after taxation, amounted to \$2.5m (2019 - profit \$3.7m).

Dividends of \$2.5m were paid to AquaVenture Water Corporation during the year ended 31 March 2020 (2019 - \$3.7m).

Directors

The directors who served during the year were:

K H F Hung (appointed 30 March 2020)
C M Schafer (appointed 30 March 2020)
L S Muller (resigned 30 March 2020)
J F Curtis (resigned 30 March 2020)

Financial risk management

The company's exposure to currency risk is minimal with all operations completed in United States Dollars (USD), the company manages liquidity risk through its subsidiary who will settle liabilities on the company's behalf and the company has minimal direct exposure to credit risk as its interactions are with other group companies.

Post Balance Sheet Events

In October 2020, the Company paid a dividend of \$3,000,000 to AquaVenture Water Corporation. The Company had sufficient reserves at the time the dividend was paid.

Qualifying third party indemnity provisions

The group maintains appropriate directors' and officers' liability insurance on behalf of the directors and company secretary. In addition, individual qualifying third-party indemnity provisions are given to the directors and company secretary which comply with the provisions of Section 234 of Companies Act 2006, and were in force throughout the year and up until the signing of the annual report.

Brexit considerations

We maintain a continual review of the potential effects on our business of the UK leaving the European Union, under various scenarios. We consider a controlled departure under the terms of a withdrawal agreement between the UK and the EU will have no significant direct impact. If the UK leaves the EU without a trade deal, the biggest impact we foresee is a decline in consumer confidence and economic activity in general.

Coronavirus

The statement of financial position shows the Company has net current assets of \$6,018 (2019: \$10,132). In March 2020 the UK experienced a lockdown due to the seriousness of the Coronavirus (Covid-19) pandemic with another lockdown recently announced in November 2020, the directors have performed an assessment on the company's ability to continue as a going concern. In undertaking this assessment the directors have given consideration to operation of the company's subsidiary Seven Seas Water (BVI) Limited which operates and maintains a Sea Water Reverse Osmosis facility in the British Virgin Islands.

AquaVenture (BVI) Holdings Limited

Coronavirus (continued)

The company itself has felt marginal impact due to it being a holding company with no direct staff, management of the businesses is able to continue remotely by the Directors. The company's subsidiary operates a key service, being the provision of fresh water, and so operations have continued during lockdown with no significant reduction in demand noted over this period.

However, the duration and severity of the impact of Covid-19 remains uncertain, and if the period of impact is significantly extended or the assessed impact on cash flows from the subsidiary undertakings are more severe than anticipated the company would review, and adjust if necessary, its operations and that of its subsidiary undertakings.

Based on the cash-flow forecasts, the directors have considered the cash requirements of the company and are confident the company will continue as a going concern for a period of at least 12 months from the date of approval of these financial statements. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

AquaVenture (BVI) Holdings Limited

Directors' Report (continued) For the Year Ended 31 March 2020

Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on November 21, 2020 and signed on its behalf.



C M Schafer
Director

AquaVenture (BVI) Holdings Limited

Independent Auditor's Report to the Members of AquaVenture (BVI) Holdings Limited

Opinion

We have audited the financial statements of AquaVenture (BVI) Holdings Limited ("the company") for the year ended 31 March 2020 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

AquaVenture (BVI) Holdings Limited

Independent Auditor's Report to the Members of AquaVenture (BVI) Holdings Limited (continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

AquaVenture (BVI) Holdings Limited

Independent Auditor's Report to the Members of AquaVenture (BVI) Holdings Limited (continued)

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

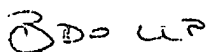
Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



James Fearon (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Gatwick
United Kingdom
24/11/2020

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

AquaVenture (BVI) Holdings Limited

Statement of Comprehensive Income For the Year Ended 31 March 2020

	Note	2020 \$	2019 \$
Administrative expenses		(4,114)	(19,248)
Income from subsidiary undertaking		2,500,000	3,700,000
Operating profit	4	<u>2,495,886</u>	<u>3,680,752</u>
Profit before tax		<u>2,495,886</u>	<u>3,680,752</u>
Tax on profit	6	-	-
Profit for the financial year		<u><u>2,495,886</u></u>	<u><u>3,680,752</u></u>

All activities are derived from continuing operations in both the year ended 31 March 2020 and 2019.

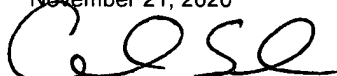
The notes on pages 11 to 19 form part of these financial statements.

AquaVenture (BVI) Holdings Limited
Registered number: 07890599

Balance Sheet
As at 31 March 2020

	Note	2020 \$	2020 \$	2019 \$	2019 \$
Fixed assets					
Investments	8		15,288,391		15,288,391
Current assets					
Debtors: amounts falling due within one year	9	123,765		124,733	
Creditors: amounts falling due within one year	10	(117,747)		(114,601)	
Net current assets			6,018		10,132
Net assets			<u>15,294,409</u>		<u>15,298,523</u>
Capital and reserves					
Called up share capital	12		2,593		2,593
Share premium account	13		15,285,800		15,285,800
Profit and loss account	13		6,016		10,130
Total equity			<u>15,294,409</u>		<u>15,298,523</u>

The financial statement were approved and authorised for issue by the board and were signed on its behalf on November 21, 2020



C M Schafer
Director

The notes on pages 11 to 19 form part of these financial statements.

AquaVenture (BVI) Holdings Limited

Statement of Changes in Equity For the Year Ended 31 March 2020

	Called up share capital	Share premium account	Profit and loss account	Total equity
	\$	\$	\$	\$
At 1 April 2019	2,593	15,285,800	10,130	15,298,523
Comprehensive income for the year				
Profit for the year	-	-	2,495,886	2,495,886
Total comprehensive income for the year	-	-	2,495,886	2,495,886
Dividends: Equity capital	-	-	(2,500,000)	(2,500,000)
Total transactions with owners	-	-	(2,500,000)	(2,500,000)
At 31 March 2020	<u>2,593</u>	<u>15,285,800</u>	<u>6,016</u>	<u>15,294,409</u>

Statement of Changes in Equity For the Year Ended 31 March 2019

	Called up share capital	Share premium account	Profit and loss account	Total equity
	\$	\$	\$	\$
At 1 April 2018	2,593	15,285,800	(5,622)	15,282,771
Comprehensive income for the year				
Profit for the year	-	-	3,680,752	3,680,752
Total comprehensive income for the year	-	-	3,680,752	3,680,752
Dividends: Equity capital	-	-	(3,665,000)	(3,665,000)
Total transactions with owners	-	-	(3,665,000)	(3,665,000)
At 31 March 2019	<u>2,593</u>	<u>15,285,800</u>	<u>10,130</u>	<u>15,298,523</u>

The notes on pages 11 to 19 form part of these financial statements.

AquaVenture (BVI) Holdings Limited

Notes to the Financial Statements For the Year Ended 31 March 2020

1. General information

AquaVenture (BVI) Holdings Limited is a private company limited by shares and incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the company information page and the nature of the company's operations and its principal activity are set out in the directors' report.

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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The presentational and functional currency of these financial statements is USD. The level of rounding is to the nearest US Dollar.

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A.

This information is included in the consolidated financial statements of AquaVenture Holdings Limited in the United States of America for the year ended 31 December 2019 and these financial statements are publicly available as filed with the U.S. Securities and Exchange Commission.

2.3 Exemption from preparing consolidated financial statements

The company is a parent company that was also a subsidiary included in the consolidated financial statements of its parent undertaking established under the law of a non-EEA state and was therefore exempt from the requirement to prepare consolidated financial statements under section 401 of the Companies Act 2006.

AquaVenture (BVI) Holdings Limited

Notes to the Financial Statements For the Year Ended 31 March 2020

2. Accounting policies (continued)

2.4 Going Concern

The statement of financial position shows the Company has net current assets of \$6,018 (2019: \$10,132). In March 2020 the UK experienced a lockdown due to the seriousness of the Coronavirus (Covid-19) pandemic with another lockdown recently announced in November 2020, the directors have performed an assessment on the company's ability to continue as a going concern. In undertaking this assessment the directors have given consideration to operation of the company's subsidiary Seven Seas Water (BVI) Limited which operates and maintains a Sea Water Reverse Osmosis facility in the British Virgin Islands.

The company itself has felt marginal impact due to it being a holding company with no direct staff, management of the businesses is able to continue remotely by the Directors. The company's subsidiary operates a key service, being the provision of fresh water, and so operations have continued during lockdown with no significant reduction in demand noted over this period.

However, the duration and severity of the impact of Covid-19 remains uncertain, and if the period of impact is significantly extended or the assessed impact on cash flows from the subsidiary undertakings are more severe than anticipated the company would review, and adjust if necessary, its operations and that of its subsidiary undertakings.

Based on the cash-flow forecasts, the directors have considered the cash requirements of the company and are confident the company will continue as a going concern for a period of at least 12 months from the date of approval of these financial statements. The company therefore continues to adopt the going concern basis in preparing its financial statements.

2.5 Dividend income

Dividend income consists of equity dividends received from the company's subsidiary, they are recognised when they become legally payable.

2.6 Foreign currency translation

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 profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

AquaVenture (BVI) Holdings Limited

Notes to the Financial Statements For the Year Ended 31 March 2020

2. Accounting policies (continued)

2.7 Investments

Investments are measured at cost less accumulated impairment. Impairment reviews are performed by management when there are indications of impairment, when it is determined the carrying value exceeds the recoverable amount, the impairment amount is written off and recorded in the statement of comprehensive income.

2.8 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.

2.9 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.

2.10 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.

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

AquaVenture (BVI) Holdings Limited

Notes to the Financial Statements For the Year Ended 31 March 2020

2. Accounting policies (continued)

2.11 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2.12 Current and deferred taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

Estimates, judgements and assumptions are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, the nature of estimation means that the actual outcomes could differ from those estimates. The critical judgements for the entity are considered to be:

- Impairment of investments (see note 8)

Determine whether there are indicators of impairment of the company's fixed asset investments. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.

AquaVenture (BVI) Holdings Limited

Notes to the Financial Statements For the Year Ended 31 March 2020

4. Operating loss

The operating loss is stated after charging:

	2020 \$	2019 \$
Fees payable to the company's auditor for the audit of the annual financial statements	12,618	11,740
Fees payable to legal counsel and registered agent	771	1,169
Exchange differences	-	(2,118)
Other external charges	<u>-</u>	<u>8,457</u>

5. Employees

The company has no employees other than the directors, who did not receive any remuneration (2019 - \$Nil).

AquaVenture (BVI) Holdings Limited

Notes to the Financial Statements For the Year Ended 31 March 2020

6. Taxation

	2020 \$	2019 \$
Taxation on profit on ordinary activities	<u>-</u>	<u>-</u>
Factors affecting tax charge for the year		
The tax assessed for the year is lower than (2019 - lower than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:		
	2020 \$	2019 \$
Profit on ordinary activities before tax	<u>2,495,886</u>	<u>3,680,752</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	474,218	699,343
Effects of:		
Expenses not deductible for tax purposes	-	37
Tax losses not recognised	782	3,620
Non-taxable income	(475,000)	(703,000)
Total tax charge for the year	<u>-</u>	<u>-</u>

The company has tax losses of \$120,921 (2019 - \$116,807), the related deferred tax asset at the latest enacted rate of 17% would be \$20,557 (2019 - \$19,857) which not been recognised as the directors do not consider it recoverable in the foreseeable future.

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

7. Dividends

The company paid a dividend of \$2,500,000 (2019 - \$3,665,000) to AquaVenture Water Corporation during the year ended 31 March 2020. The company had sufficient reserves at the time the dividend was paid.

AquaVenture (BVI) Holdings Limited

Notes to the Financial Statements For the Year Ended 31 March 2020

8. Fixed asset investments

	Investments in subsidiary companies \$
Cost or valuation	
At 1 April 2019	15,288,391
At 31 March 2020	<u>15,288,391</u>

Subsidiary undertaking

The following was a subsidiary undertaking of the company:

Name	Registered office	Class of shares	Holding
Seven Seas Water (BVI) Limited	c/o Conyers Corporate Services (B.V.I.) Limited, Commerce House, Wickhams Cay 1, P.O. Box 3140 Road Town, British Virgin Islands VG11110	Ordinary	100%

In the opinion of the directors, the value of the above investment at 31 March 2020 was at least equal to the net book value.

During the year the company received dividends of \$2,500,000 (2019 - \$3,700,000) from its subsidiary undertaking.

The aggregate of the share capital and reserves as at 31 March 2020 and the profit or loss for the year ended on that date for the subsidiary undertaking was as follows:

Name	Operating profit/(loss) \$
Seven Seas Water (BVI) Limited	403,800

9. Debtors: amounts falling due within one year

	2020 \$	2019 \$
Trade debtors	3	3
Amounts owed by group undertakings	123,762	124,533
Prepayments	-	197
	<u>123,765</u>	<u>124,733</u>

AquaVenture (BVI) Holdings Limited

Notes to the Financial Statements For the Year Ended 31 March 2020

10. Creditors: amounts falling due within one year

	2020 \$	2019 \$
Amounts owed to group undertakings	102,747	74,601
Accruals	15,000	40,000
	<u>117,747</u>	<u>114,601</u>

11. Financial instruments

	2020 \$	2019 \$
Financial assets		
Financial assets that are debt instruments measured at amortised cost	<u>123,765</u>	<u>124,536</u>

Financial liabilities

Financial liabilities measured at amortised cost	<u>117,747</u>	<u>114,601</u>
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Financial assets measured at amortised cost comprise trade debtors and amounts owed by associated undertakings.

Financial liabilities measured at amortised cost comprise amounts owed to associated undertakings and accruals.

12. Share capital

	2020 \$	2019 \$
Allotted, called up and fully paid		
1,620 ordinary shares of £1 each	<u>2,593</u>	<u>2,593</u>

The company notes that the number of shares issued since 31 March 2015 was 1,620. No additional shares have been issued since 31 March 2015.

AquaVenture (BVI) Holdings Limited

Notes to the Financial Statements For the Year Ended 31 March 2020

13. Reserves

The company's capital and reserves are as follows:

Called up share capital

Called up share capital represents the nominal value of the shares issued.

Share premium account

The share premium account includes the premium on issue of equity shares, net of any issue costs.

Profit and loss account

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

14. Related party transactions

The company was a wholly owned subsidiary of AquaVenture Holdings Limited and was included in the consolidated financial statements of AquaVenture Holdings Limited in the United States of America for the year ended 31 December 2019 and these financial statements are publicly available as filed with the U.S. Securities and Exchange Commission. Consequently, the company has taken advantage of the exemption from disclosing related party transactions with entities that are part of the AquaVenture Holdings Limited.

15. Subsequent Events

In October 2020, the Company paid a dividend of \$3,000,000 to AquaVenture Water Corporation. The Company had sufficient reserves at the time the dividend was paid.

16. Controlling party

The immediate parent is AquaVenture Water Corporation which is a company registered in the British Virgin Islands. On March 30, 2020, the shares of the ultimate parent, AquaVenture Holdings Limited, were acquired by Culligan International Company. Immediately subsequent to the acquisition, Culligan International Company sold the shares of AquaVenture Holdings Curacao N.V. to a fund managed by Morgan Stanley Infrastructure Partners (MSIP), the new parent is not publicly traded.