

Report of the Directors and
Financial Statements
for the Year Ended 29th September 2016
for
NEWATER INVESTMENTS LIMITED

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COMPANIES HOUSE

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for the Year Ended 29th September 2016

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NEWATER INVESTMENTS LIMITED

Company Information
for the Year Ended 29th September 2016

DIRECTORS:

D J Sebire
M S Cottrell
D J Suggitt
N R P Harris
R Blyth

SECRETARY:

L M Turner

REGISTERED OFFICE:

c/o Titanium Accountants Limited
8th Floor, Newater House
11 Newhall Street
Birmingham
West Midlands
B3 3NY

REGISTERED NUMBER:

00678567

AUDITORS:

Davies Mayers Barnett LLP
Statutory Auditors
Pillar House
113/115 Bath Road
Cheltenham
Gloucestershire
GL53 7LS

Chairman's Report
for the Year Ended 29th September 2016

Results

We are pleased to report another year of improving results for the Company.

Rents and service charges receivable from Newater House increased again to £477,692 (2015: £412,173). This was achieved through a full year of income being recognised on lettings achieved in the previous year, there were no new lettings in the year.

Cost of sales reduced to £219,732 (2015: £257,162); service charge costs reduced slightly in the year, and there was also a significant reduction in professional fees. Rates, water and lighting and heating costs were also reduced.

Administrative expenses were again tightly controlled with a resulting profit on Ordinary Activities before Taxation amounting to £131,025 (2015: £15,220).

The value of Newater House has in the directors' opinion remained the same at £2.170m (2015: £2.170m). Bank debt was further reduced in the year to £346,500 (2015: £385,000). As a result the balance sheet is much improved, shareholders' funds having increased to £2,093,449 (2015: £1,962,424).

Newater House

During the year under review, Curium Solutions vacated part of the 1st floor suite and unfortunately no further lettings have been agreed. The Board and its advisors are working hard to secure tenants for this part of the 1st floor and the whole of the 4th floor and are actively managing existing tenants to retain them in the building wherever possible. Market conditions continue to improve steadily.

Directors

The executive directors' have maintained their fees at the reduced levels and the non-executive directors' continue to provide services for no remuneration.

Dividends

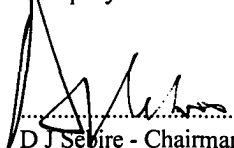
The directors' are maintaining their previous policy on dividend payments for another year, considering it inappropriate to pay dividends until bank borrowings are further reduced and whilst there is still vacant space in the building. When lettings for the remaining vacant space are secured, the dividend policy will be reviewed again.

Annual General Meeting

The Annual General Meeting will be held on Friday 28th April 2017 at 12.15pm at Newater House and I look forward to welcoming shareholders.

Prospects

The Board believe the Company continues to be in a stable financial position, and are continually reviewing the state of the investment market in formulating the future strategy. The Board are optimistic about the future prospects for the Company.


.....
D J Sebire - Chairman

Report of the Directors
for the Year Ended 29th September 2016

The directors present their report with the financial statements of the company for the year ended 29th September 2016.

DIRECTORS

The directors shown below have held office during the whole of the period from 30th September 2015 to the date of this report.

D J Sebire
M S Cottrell
D J Suggitt
N R P Harris
R Blyth

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual 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;
- 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:



L M Turner - Secretary

27th March 2017

Report of the Independent Auditors to the Members of
Newater Investments Limited

We have audited the financial statements of Newater Investments Limited for the year ended 29th September 2016 on pages six to thirteen. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 a Report of the Auditors 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.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Chairman's Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 29th September 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Report of the Independent Auditors to the Members of
Newwater Investments Limited

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.



Nicola Smith (Senior Statutory Auditor)
for and on behalf of Davies Mayers Barnett LLP
Statutory Auditors
Pillar House
113/115 Bath Road
Cheltenham
Gloucestershire
GL53 7LS

27th March 2017

NEWATER INVESTMENTS LIMITED (REGISTERED NUMBER: 00678567)

Profit and Loss Account
for the Year Ended 29th September 2016

	Notes	2016 £	2015 £
TURNOVER		477,692	412,173
Cost of sales		<u>(219,732)</u>	<u>(257,162)</u>
GROSS PROFIT		257,960	155,011
Administrative expenses		<u>(114,935)</u>	<u>(127,772)</u>
OPERATING PROFIT	2	143,025	27,239
Income from fixed asset investments		<u>527</u>	<u>526</u>
		143,552	27,765
Interest payable and similar charges		<u>(12,527)</u>	<u>(12,545)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		131,025	15,220
Tax on profit on ordinary activities	3	<u>-</u>	<u>-</u>
PROFIT FOR THE FINANCIAL YEAR		<u>131,025</u>	<u>15,220</u>

The notes form part of these financial statements

NEWATER INVESTMENTS LIMITED (REGISTERED NUMBER: 00678567)

Statement of Total Recognised Gains and Losses
for the Year Ended 29th September 2016

	2016	2015
	£	£
PROFIT FOR THE FINANCIAL YEAR	131,025	15,220
Unrealised surplus / (deficit) on		
Revaluation of Leasehold Property	-	317,872
	<hr/>	<hr/>
TOTAL RECOGNISED GAINS AND LOSSES		
RELATING TO THE YEAR	131,025	333,092
	<hr/> <hr/>	<hr/> <hr/>

The notes form part of these financial statements

NEWATER INVESTMENTS LIMITED (REGISTERED NUMBER: 00678567)

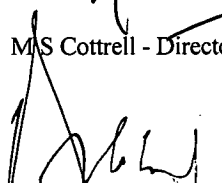
Balance Sheet
29th September 2016

	Notes	2016 £	2015 £
FIXED ASSETS			
Investments	4	2,188,801	2,188,801
CURRENT ASSETS			
Debtors	5	359,230	283,092
Cash at bank		67,027	69,574
		<u>426,257</u>	<u>352,666</u>
CREDITORS			
Amounts falling due within one year	6	(213,609)	(232,543)
NET CURRENT ASSETS		<u>212,648</u>	<u>120,123</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,401,449</u>	<u>2,308,924</u>
CREDITORS			
Amounts falling due after more than one year	7	(308,000)	(346,500)
NET ASSETS		<u><u>2,093,449</u></u>	<u><u>1,962,424</u></u>
CAPITAL AND RESERVES			
Called up share capital	10	46,000	46,000
Revaluation reserve	11	1,121,663	1,121,663
Profit and loss account	11	925,786	794,761
SHAREHOLDERS' FUNDS		<u><u>2,093,449</u></u>	<u><u>1,962,424</u></u>

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The financial statements were approved by the Board of Directors on 27th March 2017 and were signed on its behalf by:


M S Cottrell - Director


D J Sebire - Director

The notes form part of these financial statements

Notes to the Financial Statements
for the Year Ended 29th September 2016

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015). The accounts are prepared on a going concern basis.

Turnover

Turnover is comprised of rent receivable and associated services provided during the year, net of VAT. Rents are invoiced on the traditional quarter days in advance and an adjustment is made as at the Balance Sheet date to take account of any rent attributable to the subsequent accounting period. Where a lease includes a rent free period, this cost is spread over the period of the lease until the first rent review. Any unexpensed rent free period costs are deducted from accrued income.

Deferred tax

Deferred taxation is recognised in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date. Full provision is made without discounting for all deferred tax liabilities. No deferred tax provision has been made against potential capital gains tax arising from the revaluation of the property asset as there is no binding agreement to sell the property at the balance sheet date. Deferred tax assets are recognised to the extent that it is more likely than not that they will be recovered against taxable profits.

Investments

Listed investments are included at mid-market value at the balance sheet date. Unquoted investments are stated at cost less provision for permanent diminution in value.

Where the value of an investment has fallen below its original cost, the decrease in value is shown as an unrealised loss in the profit and loss account.

Where the value of an investment has risen above the original cost, the increase above cost is shown in the revaluation reserve in the balance sheet and not in the profit and loss account.

Where the value of an investment has historically fallen below its original cost but its value recovers, the increase in value up to its original cost is shown as an unrealised gain in the profit and loss account with any further increases in value above its original cost being shown in the revaluation reserve.

Dividends from investments are included in the profit and loss account when receivable.

Investment properties

Investment properties are included in the balance sheet at their existing use open market value in accordance with the Financial Reporting Standard for Smaller Entities and are not depreciated. This treatment is contrary to the Companies Act 2006 which states that fixed assets should be depreciated but is, in the opinion of the directors, necessary in order to give a true and fair value of the financial position of the company.

2. OPERATING PROFIT

The operating profit is stated after charging:

	2016	2015
	£	£
Auditors remuneration	4,000	3,900
	<u> </u>	<u> </u>
Directors' remuneration and other benefits etc	20,000	20,000
	<u> </u>	<u> </u>

Notes to the Financial Statements - continued
for the Year Ended 29th September 2016

2. OPERATING PROFIT - continued

Directors emoluments and other benefits as defined in paragraph 1 of Schedule 6 to the Companies Act 2006 were:

	2016 £	2015 £
D J Sebire	10,000	10,000
R Blyth	10,000	10,000
	<hr/>	<hr/>
	20,000	20,000
	<hr/>	<hr/>

The emoluments paid to R Blyth are in respect of consultancy provided to the company. See note 14 for further details.

3. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 29th September 2016 nor for the year ended 29th September 2015.

Factors that may affect future tax charges

In prior years taxable losses have been incurred in relation to the disposal of investments and are available for use against future chargeable gains. A deferred tax asset has not been recognised as the company does not consider it prudent to anticipate sufficient chargeable gains from the sale of investments to arise within the immediate future. The estimated value of the deferred tax asset, measured at a standard rate of 17%, is £61,000 (2015: £74,000 measured at a standard rate of 20%).

The company also has tax losses available for future use against taxable profits amounting to £265,000 (2015: £395,000). A deferred tax asset has not been recognised as the company does not consider it prudent to anticipate sufficient taxable profits to arise within the immediate future. The estimated value of the deferred tax asset, measured at a standard rate of 17%, is £45,000 (2015: £79,000 measured at a standard rate of 20%).

Notes to the Financial Statements - continued
for the Year Ended 29th September 2016

4. FIXED ASSET INVESTMENTS

	2016 £	2015 £
Other investments other than loans	2,188,801	2,188,801

OTHER INVESTMENTS SUMMARY:-

	2016 £	2015 £
Unlisted investments	18,801	18,801
Leasehold property	2,170,000	2,170,000
At 29th September 2016	<u>2,188,801</u>	<u>2,188,801</u>

Investment Property - Leasehold property

	2016 £	2015 £
<u>COST OR VALUATION</u>		
At 29th September 2015	2,170,000	1,820,000
Additions	-	32,128
Revaluation	-	317,872
At 29th September 2016	<u>2,170,000</u>	<u>2,170,000</u>

The Leasehold property was revalued at 29th June 2015 by an independent specialist, DTZ Debenham Tie Leung Limited. It is now carried at the open market valuation of £2,170,000.

The historic cost of the Leasehold property at 29th September 2016 is £1,048,337 (2015: £1,048,337).

Listed and unlisted investments

	Listed investments £	Unlisted investments £	Totals £
<u>COST OR VALUATION</u>			
At 29th September 2015	-	18,801	18,801
Disposals	-	-	-
At 29th September 2016	<u>-</u>	<u>18,801</u>	<u>18,801</u>
<u>NET BOOK VALUE</u>			
At 29th September 2016	<u>-</u>	<u>18,801</u>	<u>18,801</u>
At 29th September 2015	<u>-</u>	<u>18,801</u>	<u>18,801</u>

The Directors consider cost to be an appropriate valuation of the unlisted investments. At the balance sheet date, these investments are included at a cost of £18,801 (2015: £18,801).

NEWATER INVESTMENTS LIMITED (REGISTERED NUMBER: 00678567)

Notes to the Financial Statements - continued
for the Year Ended 29th September 2016

5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Trade debtors	140,208	108,205
Other debtors	-	3,513
Prepayments and accrued income	219,022	171,374
	<u>359,230</u>	<u>283,092</u>

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Bank loans and overdrafts	38,500	38,500
Trade creditors	2,845	30,399
Social security and other taxes	12,684	-
Other creditors	5,938	5,938
Accruals and deferred income	153,642	157,706
	<u>213,609</u>	<u>232,543</u>

7. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2016	2015
	£	£
Bank loans	<u>308,000</u>	<u>346,500</u>

8. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year:

	2016	2015
	£	£
Expiring:		
In more than five years	<u>47,000</u>	<u>47,000</u>

9. SECURED DEBTS

The following secured debts are included within creditors:

	2016	2015
	£	£
Bank loans	<u>346,500</u>	<u>385,000</u>

Amounts due to the company's bankers are secured by a first legal charge over the company's investment property.

10. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2016	2015
Number:	Class:	Nominal value:	£	£
46,000	Ordinary	£1	<u>46,000</u>	<u>46,000</u>

NEWATER INVESTMENTS LIMITED (REGISTERED NUMBER: 00678567)

Notes to the Financial Statements - continued
for the Year Ended 29th September 2016

11. RESERVES

	Profit and loss account £	Revaluation reserve £	Totals £
At 30th September 2015	794,761	1,121,663	1,916,424
Profit for the year	131,025		131,025
At 29th September 2016	925,786	1,121,663	2,047,449

12. CONTINGENT LIABILITIES

There were no contingent liabilities at the balance sheet date (2015: £Nil).

13. CAPITAL COMMITMENTS

There were no capital commitments at the balance sheet date (2015: £Nil).

14. RELATED PARTY DISCLOSURES

During the year, the company had transactions with related parties, which are disclosed in accordance with Financial Reporting Standard for Smaller Entities (effective January 2015).

D Suggitt, a director of the company, is also a director of Southgate Splash Limited. The balance due to Southgate Splash Limited at the year end is £ 417 (2015: £417) included within creditors.

R Blyth, a director of the company, also trades as Robert Blyth Commercial Property Consultancy which charged a directors fee of £10,000 (2015: £10,000), as disclosed in note 2.