

Report of the Directors and
Financial Statements
for the Year Ended 29th September 2014
for
NEWATER INVESTMENTS LIMITED

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Contents of the Financial Statements
for the Year Ended 29th September 2014

	Page
Company Information	1
Chairman's Report	2
Report of the Directors	4
Report of the Independent Auditors	5
Profit and Loss Account	7
Statement of Total Recognised Gains and Losses	8
Balance Sheet	9
Notes to the Financial Statements	10

NEWATER INVESTMENTS LIMITED

Company Information
for the Year Ended 29th September 2014

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

NEWATER INVESTMENTS LIMITED (REGISTERED NUMBER: 00678567)

Chairman's Report
for the Year Ended 29th September 2014

Results

We are very pleased to report a return to profitability for the Company.

Rents and service charges receivable from Newater House increased by a further 26% to £387,621 (2013: £306,480). This was achieved mainly as a result of a full year of income being recognised on lettings achieved in the previous year. A further increase in turnover is anticipated for the current year.

Cost of sales reduced to £227,066 (2012: £288,579); service charge costs were maintained, the decrease in cost of sales arising from a further reduction in void business rates and professional fees.

Other income is minimal following the sale of the share portfolio and administrative expenses were again tightly controlled and broadly comparable with the previous year.

The profit on ordinary activities before taxation amounted to £11,211 (2013: loss £109,177).

The value of Newater House has also increased to £1.820m (2013: £1.016m). This value was determined by an independent open market valuation carried out by DTZ Debenham Tie Leung at the year end and has been reflected in the financial statements. As a result the balance sheet is much improved, shareholders' funds having increased by over 100% to £1,629,332 (2013: £814,330)

Newater House

During the year under review, the Board were able to negotiate a deed of variation in respect of the lease to Haskoning on the 5th floor, which effectively extends their lease term to at least December 2017. The only vacant space left in the building is the 4th floor and part 6th floor, which together represent 19% of the total square footage.

The Board are in discussions with existing tenants to secure extended income streams and also to secure tenants for the remaining vacant space in the building. Market conditions continue to improve steadily.

Directors

The non-executive directors continue to receive no payment for their services and the executive directors and professionals have maintained their fees at the reduced levels.

Financial Position

The Company is in discussions with its bankers to convert the overdraft facility into an amortising term loan over a ten year period, which is now appropriate given the more certain income streams secured by the Company.

Dividends

The directors are maintaining their policy on dividend payments and consider it inappropriate to pay dividends until bank borrowings are reduced to a more conservative level and whilst there is still vacant space in the building. When lettings for the remaining vacant space can be secured, the dividend policy will be reviewed.

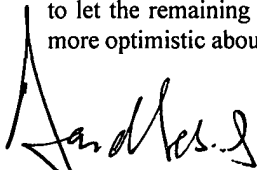
Annual General Meeting

The Annual General Meeting will be held on Thursday 23rd April 2015 at 12.15pm at Newater House and I look forward to welcoming shareholders.

Chairman's Report
for the Year Ended 29th September 2014

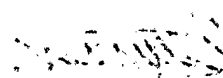
Prospects

The Board believe the Company is now in a much more stable and improved financial position compared with recent years, with market conditions also showing signs of further improvement. The directors and advisors are working hard to let the remaining vacant space as soon as possible together with retaining existing tenants and the directors are now more optimistic about the future prospects for the Company.



David J Sebire
Chairman

5th March 2015



Report of the Directors
for the Year Ended 29th September 2014

The directors present their report with the financial statements of the company for the year ended 29th September 2014.

DIRECTORS

The directors shown below have held office during the whole of the period from 30th September 2013 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 special provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:



L M Turner - Secretary

5th March 2015

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 2014 on pages seven to fourteen. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (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 four, 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 2014 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
Newater 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.

A handwritten signature in black ink, appearing to read 'Nicola Smith', written in a cursive style.

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

5th March 2015

NEWATER INVESTMENTS LIMITED (REGISTERED NUMBER: 00678567)

Profit and Loss Account
for the Year Ended 29th September 2014

	Notes	2014 £	2013 £
TURNOVER		387,621	306,480
Cost of sales		<u>(227,066)</u>	<u>(288,579)</u>
GROSS PROFIT		160,555	17,901
Administrative expenses		<u>(137,715)</u>	<u>(134,226)</u>
		22,840	(116,325)
Other operating income		-	17,052
OPERATING PROFIT/(LOSS)	2	22,840	(99,273)
Income from fixed asset investments		525	1,468
Interest receivable and similar income		-	290
		<u>23,365</u>	<u>(97,515)</u>
Interest payable and similar charges		<u>(12,154)</u>	<u>(11,662)</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		11,211	(109,177)
Tax on profit/(loss) on ordinary activities	3	-	18,990
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		<u>11,211</u>	<u>(90,187)</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 2014

	2014	2013
	£	£
PROFIT/(LOSS) FOR THE FINANCIAL YEAR	11,211	(90,187)
Unrealised surplus / (deficit) on revaluation of Leasehold Property	803,791	-
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u>815,002</u>	<u>(90,187)</u>

The notes form part of these financial statements

NEWATER INVESTMENTS LIMITED (REGISTERED NUMBER: 00678567)


Balance Sheet
29th September 2014

	Notes	2014 £	2013 £
FIXED ASSETS			
Investments	4	1,838,801	1,035,010
CURRENT ASSETS			
Debtors	5	258,535	232,395
Cash at bank		15,947	15,947
		<u>274,482</u>	<u>248,342</u>
CREDITORS			
Amounts falling due within one year	6	(483,951)	(469,022)
NET CURRENT LIABILITIES		<u>(209,469)</u>	<u>(220,680)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,629,332</u>	<u>814,330</u>
CAPITAL AND RESERVES			
Called up share capital	10	46,000	46,000
Revaluation reserve	11	803,791	-
Profit and loss account	11	779,541	768,330
SHAREHOLDERS' FUNDS		<u>1,629,332</u>	<u>814,330</u>

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Board of Directors on 5th March 2015 and were signed on its behalf by:


M S Cottrell - Director


J Sebire - Director

The notes form part of these financial statements

Notes to the Financial Statements
for the Year Ended 29th September 2014

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and on a going concern basis.

The current economic environment is difficult and the company has reported an operating loss for the year. The directors' consider that the outlook presents significant challenges in terms of rental and service charge income. However, after considering the uncertainties, the directors have a reasonable expectation that the company has adequate and potential resources to continue in operational existence for the foreseeable future. For these reasons, the going concern basis has been adopted in preparing the financial statements.

If the company were unable to continue to trade, adjustments would have to be made to reduce the value of the assets to their recoverable amount, to provide for any further liabilities that might arise and to reclassify long term liabilities as current liabilities.

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.

Notes to the Financial Statements - continued
for the Year Ended 29th September 2014

2. OPERATING PROFIT/(LOSS)

The operating profit (2013 - operating loss) is stated after charging/(crediting):

	2014 £	2013 £
Profit on disposal of fixed assets	-	(17,052)
Auditors remuneration	<u>3,900</u>	<u>3,955</u>
Directors' remuneration and other benefits etc	<u>20,000</u>	<u>20,000</u>

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

	2014 £	2013 £
D J Sebire - fee	10,000	10,000
R Blyth	10,000	10,000
	<u>20,000</u>	<u>20,000</u>

3. TAXATION

Analysis of the tax credit

The tax credit on the profit on ordinary activities for the year was as follows:

	2014 £	2013 £
Deferred taxation	-	(18,990)
Tax on profit/(loss) on ordinary activities	<u>-</u>	<u>(18,990)</u>

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 20%, is £72,240 (2013: £72,240).

NEWATER INVESTMENTS LIMITED (REGISTERED NUMBER: 00678567)

Notes to the Financial Statements - continued
for the Year Ended 29th September 2014

4. FIXED ASSET INVESTMENTS

	2014	2013
	£	£
Other investments other than loans	1,838,801	1,035,010

OTHER INVESTMENTS SUMMARY:-

	2014	2013
	£	£
Unlisted investments	18,801	18,801
Leasehold property	1,820,000	1,016,209
At 29th September 2014	<u>1,838,801</u>	<u>1,035,010</u>

Investment Property - Leasehold property

	2014	2013
	£	£
<u>COST OR VALUATION</u>		
At 29th September 2013	1,016,209	1,016,209
Revaluation	803,791	-
At 29th September 2014	<u>1,820,000</u>	<u>1,016,209</u>

The Leasehold property was revalued at 29th September 2014 by an independent specialist, DTZ Debenham Tie Leung Limited. It is now carried at the open market valuation of £1,820,000.

The historic cost of the Leasehold property at 29th September 2014 is £1,016,209 (2013: £1,016,209).

Listed and unlisted investments

	Listed investments £	Unlisted investments £	Totals £
<u>COST OR VALUATION</u>			
At 29th September 2013	-	18,801	18,801
Disposals	-	-	-
At 29th September 2014	<u>-</u>	<u>18,801</u>	<u>18,801</u>
<u>NET BOOK VALUE</u>			
At 29th September 2014	<u>-</u>	<u>18,801</u>	<u>18,801</u>
At 29th September 2013	<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 (2013: £18,801).

NEWATER INVESTMENTS LIMITED (REGISTERED NUMBER: 00678567)

Notes to the Financial Statements - continued
for the Year Ended 29th September 2014

5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014	2013
	£	£
Trade debtors	122,677	83,704
Prepayments and accrued income	135,858	148,691
	<u>258,535</u>	<u>232,395</u>

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014	2013
	£	£
Bank loans and overdrafts	273,961	295,231
Trade creditors	61,693	6,730
Social security and other taxes	3,822	8,686
Other creditors	10,907	10,907
Accruals and deferred income	133,568	147,468
	<u>483,951</u>	<u>469,022</u>

7. OPERATING LEASE COMMITMENTS

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

	2014	2013
	£	£
Expiring:		
In more than five years	<u>47,000</u>	<u>47,000</u>

8. SECURED DEBTS

The following secured debts are included within creditors:

	2014	2013
	£	£
Bank overdrafts	<u>273,961</u>	<u>295,231</u>

The bank overdraft is secured by a first legal charge over the company's investment property.

9. PROVISIONS FOR LIABILITIES

	2014	2013
	£	£
Deferred tax		
Accelerated capital allowances	-	72,255
Other timing differences	-	(72,255)
	<u>-</u>	<u>-</u>

It is the company's policy not to provide for taxation in respect of the revalued property as there is no binding agreement to sell the property at the balance sheet date. If the property were disposed of at its current revalued amount, no tax liability would arise (2013: Nil).

NEWATER INVESTMENTS LIMITED (REGISTERED NUMBER: 00678567)

Notes to the Financial Statements - continued
for the Year Ended 29th September 2014

10. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2014 £	2013 £
46,000	Ordinary	£1	<u>46,000</u>	<u>46,000</u>

11. RESERVES

	Profit and loss account £	Revaluation reserve £	Totals £
At 30th September 2013	768,330	-	768,330
Profit for the year	11,211		11,211
Revaluation on leasehold property	-	803,791	803,791
	<u>779,541</u>	<u>803,791</u>	<u>1,583,332</u>
At 29th September 2014			

12. CONTINGENT LIABILITIES

There were no contingent liabilities at the balance sheet date (2013: £Nil).

13. CAPITAL COMMITMENTS

There were no capital commitments at the balance sheet date (2013: £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 April 2008).

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 (2013: £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 disclosed in note 2 (2013: £10,000). R Blyth also charged the company £230 for expenses (2013: £88). The balance outstanding at the year end is £ 833 (2013: £833) included within creditors.