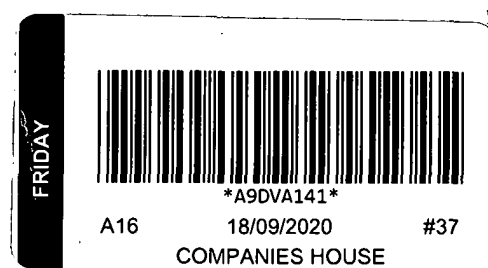


Company Registration No. 00678567 (England and Wales)

NEWATER INVESTMENTS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 3 APRIL 2020



NEWATER INVESTMENTS LIMITED

COMPANY INFORMATION

Directors	Mr D J Sebire Mr M S Cottrell Mr D J Suggitt Mr N R P Harris Mr R Blyth
Secretary	Mr L M Turner
Company number	00678567
Registered office	c/o Titanium Accountants Limited 8th Floor, Newater House 11 Newhall Street Birmingham West Midlands B3 3NY
Auditor	Baldwins Audit Services Pillar House 113/115 Bath Road Cheltenham Gloucestershire GL53 7LS

NEWATER INVESTMENTS LIMITED

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NEWATER INVESTMENTS LIMITED

CHAIRMAN'S REPORT

FOR THE PERIOD ENDED 3 APRIL 2020

I am pleased to present what is likely to be my last Chairman's statement for the Company.

Newater House

I have previously reported to shareholders that the Board were considering its options in relation to the main asset of the Company, Newater House. The market conditions were improving, but difficult, and the asset was wasting with the Company having no capital to invest in the property or to extend the lease.

The Board received an offer from a reputable local developer during the period, and following protracted negotiations, the Company's leasehold interest in Newater House was sold on 31 March 2020 for a gross sum of £2.955m. Included within the gross sale price is a sum of £75,000, the receipt of which is contingent on certain events, which the Board do not believe will materialise and therefore a provision has been made for the non-receipt of this sum.

Results

The results are for the period from 30 September 2018 to 3 April 2020, the year end having been extended to incorporate the sale of the property.

Rents and service charges receivable from Newater House increased to £771,053 (2018: £487,424). This was achieved through a full year of income being recognised on lettings achieved in the previous year, and from rent reviews implemented in 2018.

The gross profit increased to 35.74% (2018: 32.07%).

There was additional operating income in the year arising from the entitlement to a right of light claim on the development of neighbouring property, Phoenix House, this amounted to £49,700 (2018: £59,500)

Administrative expenses were increased in the year mainly due to the payment of director fees (see below), and professional fees, and amounted to £243,518 (2018: £101,928).

The book profit on the disposal of Newater House amounted to £518,280, and a fair value increase of £28,923 was recognised in the value of shares held in unlisted companies. This fair value increase on unlisted investments was realised after the period end following the sale of the investment.

The resulting overall profit on Ordinary Activities before Taxation amounted to £618,531 (2018: £236,141).

Following the realisation of the investment property, the assets of the Company were held substantially in cash at the period end.

I am pleased to report a substantial increase of 16.3% in shareholders funds which amounted to £2,788,675 (2018: £2,398,382) at the period end, representing a net asset value of £60 per share, this following an interim dividend payment of £3 per share.

Directors

Given the return to profitability of the Company, and the sale of the property, Mr Blyth received a bonus of £39,276 having been paid at a reduced level since 2012. The non-executive directors received a payment of £7,500 each, for their services having provided their services free to the Company since 2012.

Dividends

An interim dividend of £3.00 per share was paid on 3 April 2020 following the sale of Newater House.

NEWATER INVESTMENTS LIMITED

CHAIRMAN'S REPORT (CONTINUED)

FOR THE PERIOD ENDED 3 APRIL 2020

Future Plans

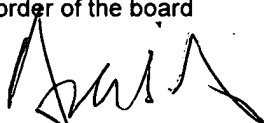
The Company has a diverse shareholder base and as a result the Board does not feel that it is in the interest of all shareholders to re-invest the proceeds realised from the sale of investments into other assets.

The Board will therefore be recommending to shareholders that the Company enter into a Members Voluntary Arrangement whereby the remaining shareholders funds can be distributed to shareholders as a capital receipt and the Company liquidated. This recommendation will be subject to shareholder approval, the documentation for which will follow in due course.

The Board believe we have delivered a satisfactory return for all shareholders given the market conditions over recent years and the subsequent worldwide pandemic.

I would like to thank the Board for their hard work in delivering a successful outcome, and to shareholders for your continued patience for a return on your investment.

By order of the board



Mr D J Seipre

Chairman

3 August 2020

NEWATER INVESTMENTS LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 3 APRIL 2020

The directors present their annual report and financial statements for the period ended 3 April 2020.

Principal activities

The company's principal activity during the period was that of property rental. On 31 March 2020, the investment property was sold and the company ceased trading.

Directors

The directors who held office during the period and up to the date of signature of the financial statements were as follows:

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

Post reporting date events

Information relating to events since the end of the period is given in the notes to the financial statements

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 of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

NEWATER INVESTMENTS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 3 APRIL 2020

By order of the board



Mr L M Turner

Secretary

3 August 2020

NEWATER INVESTMENTS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NEWATER INVESTMENTS LIMITED

Opinion

We have audited the financial statements of Newater Investments Limited (the 'company') for the period ended 3 April 2020 which comprise the profit and loss account, 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 FRS 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 3 April 2020 and of its profit for the period 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.

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 our audit:

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

NEWATER INVESTMENTS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF NEWATER INVESTMENTS LIMITED

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 the directors' report.

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 in preparing the directors' report.

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 on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

NEWATER INVESTMENTS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF NEWATER INVESTMENTS LIMITED

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.

Baldwins Audit Services

Claire Clift (Senior Statutory Auditor)
for and on behalf of Baldwins Audit Services

26 August 2020

Statutory Auditor

Pillar House
113/115 Bath Road
Cheltenham
Gloucestershire
GL53 7LS

NEWATER INVESTMENTS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 3 APRIL 2020

	Notes	Continuing operations	Discontinued operations	Period ended 3 April 2020	Continuing operations	Discontinued operations	Year ended 29 September 2018
		£	£	£	£	£	£
Turnover		-	771,053	771,053	-	487,424	487,424
Cost of sales		-	(495,443)	(495,443)	-	(331,120)	(331,120)
Gross profit		-	275,610	275,610	-	156,304	156,304
Administrative expenses		-	(243,518)	(243,518)	-	(101,928)	(101,928)
Other operating income		-	49,700	49,700	-	59,500	59,500
Operating profit		-	81,792	81,792	-	113,876	113,876
Interest receivable and similar income		-	2,248	2,248	-	2,081	2,081
Interest payable and similar expenses		-	(12,712)	(12,712)	-	(9,816)	(9,816)
Fair value movement on investments		28,923	-	28,923	-	-	-
Fair value gains and losses on investment properties	6	-	-	-	-	130,000	130,000
Profit on disposal of investment property		-	518,280	518,280	-	-	-
Profit before taxation		28,923	589,608	618,531	-	236,141	236,141
Tax on profit		-	(90,238)	(90,238)	-	-	-
Profit for the financial period		28,923	499,370	528,293	-	236,141	236,141

NEWATER INVESTMENTS LIMITED

BALANCE SHEET


AS AT 3 APRIL 2020

	Notes	2020 £	£	2018 £	£
Fixed assets					
Investment properties	6		-	2,300,000	
Investments	7		-	18,801	
			-	2,318,801	
Current assets					
Debtors	8	65,283		374,755	
Investments	9	47,724		-	
Cash at bank and in hand		2,986,557		236,703	
		3,099,564		611,458	
Creditors: amounts falling due within one year	10	(310,889)		(300,877)	
Net current assets			2,788,675		310,581
Total assets less current liabilities			2,788,675		2,629,382
Creditors: amounts falling due after more than one year	11		-		(231,000)
Net assets			2,788,675		2,398,382
Capital and reserves					
Called up share capital			46,000		46,000
Non-distributable profits reserve			-		1,251,663
Distributable profit and loss reserves			2,742,675		1,100,719
Total equity			2,788,675		2,398,382

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

The financial statements were approved by the board of directors and authorised for issue on 3 August 2020 and are signed on its behalf by:

Mr D J Sebire
Director



Mr M S Cottrell
Director



Company Registration No. 00678567

NEWATER INVESTMENTS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 3 APRIL 2020

	Notes	Share capital £	Non-distributable profits £	Profit and loss reserves £	Total £
Balance at 30 September 2017		46,000	1,121,663	994,578	2,162,241
Year ended 29 September 2018:					
Profit and total comprehensive income for the year		-	130,000	106,141	236,141
Balance at 29 September 2018		46,000	1,251,663	1,100,719	2,398,382
Period ended 3 April 2020:					
Profit and total comprehensive income for the period		-	-	528,293	528,293
Dividends	5	-	-	(138,000)	(138,000)
Transfers		-	(1,251,663)	1,251,663	-
Balance at 3 April 2020		46,000	-	2,742,675	2,788,675

NEWATER INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 3 APRIL 2020

1 Accounting policies

Company information

Newater Investments Limited is a private company limited by shares incorporated in England and Wales. The registered office is c/o Titanium Accountants Limited, 8th Floor, Newater House, 11 Newhall Street, Birmingham, West Midlands, B3 3NY.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

On 31 March 2020, the majority of trade and assets were sold and the company ceased trading.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

Following approval of these financial statements, the directors intend to recommend to the members to place the company into a members voluntary liquidation following all creditors being discharged, with a capital distribution being made within the next 12 months. As a result, a basis other than going concern has been applied in preparing these financial statements. The directors are satisfied that the company has adequate resources to continue in operation until the point of liquidation and that no adjustments are required to the financial statements as a result of the application of this basis.

1.3 Reporting period

The company changed the accounting reference date to 29 March 2020 and is reporting on the period to 3 April 2020 in the financial statements. The comparative period is 12 months therefore the comparative amounts presented in the financial statements (including the related notes) are not entirely comparable. The reason for the change in period was due to the expected cessation of trade immediately following the sale of the investment property.

1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably.

NEWATER INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 3 APRIL 2020

1 Accounting policies

(Continued)

1.5 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

The fair values of the assets are regularly reviewed by the directors and further adjustments to carrying values are made where considered appropriate.

Properties are valued using an open market valuation on a leasehold basis, and are supported by independent valuations, where appropriate.

Where fair value cannot be achieved without undue cost or effort, investment property is accounted for as tangible fixed assets.

1.6 Fixed asset investments

Investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Transaction costs are expensed to profit or loss as incurred. Changes in fair value are recognised in profit or loss.

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where a reasonable and consistent basis of allocation can be identified, assets are allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

1.8 Cash at bank and in hand

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

NEWATER INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 3 APRIL 2020

1 Accounting policies

(Continued)

1.9 Financial instruments

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

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

NEWATER INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 3 APRIL 2020

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.12 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

1.14 Exceptional items

Exceptional items are those which are separately identified by virtue of their size or nature to allow a full understanding of the underlying performance of the company.

2 Judgements and key sources of estimation uncertainty

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the actual results. The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

NEWATER INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 3 APRIL 2020

2 Judgements and key sources of estimation uncertainty

(Continued)

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Investment property

Investment properties are reviewed annually for their fair value, where this valuation materially differs to carrying value, adjustments are made to revalue these assets. This movement is recognised in profit or loss.

Independent valuations are obtained from suitably qualified professionals. These are conducted on a periodic basis in order to prevent material misstatement.

In the prior period, the fair value of investment properties was reassessed at August 2018 to be £2,300,000. Consequently, a gain of £130,000 was recognised, net of taxation.

Other investments

Other investments are reviewed annually for their fair value, where this valuation materially differs to carrying value, adjustments are made to revalue these assets. This movement is recognised in profit or loss.

The fair value of other investments was reassessed in January 2020 to be £47,724. Consequently, a gain of £28,923 was recognised, net of taxation.

3 Employees

The average monthly number of persons (including directors) employed by the company during the period was:

	2020 Number	2018 Number
Total	5	5

4 Discontinued operations

On 31 March 2020, the investment property was sold and the trade and assets associated with this were disposed of. From 31 March 2020, the company ceased its trading operations.

5 Dividends

	2020 £	2018 £
Interim paid	138,000	-

NEWATER INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 3 APRIL 2020

6 Investment property

	2020 £
Fair value	
At 30 September 2018	2,300,000
Disposals	(2,300,000)
	<hr/>
At 3 April 2020	-
	<hr/>

During the period ended 3 April 2020, the investment property was disposed of and a profit on disposal of £518,280 was included in the profit and loss account. During the year ended 29 September 2018, the fair value movement included within profit or loss was £130,000.

If investment properties were stated on an historical cost basis rather than a fair value basis, the amounts would have been included as follows:

	2020 £	2018 £
Cost	-	1,048,337
Accumulated depreciation	-	-
	<hr/>	<hr/>
Carrying amount	-	1,048,337
	<hr/>	<hr/>

Investment property is valued on an open market basis.

Advice was sought from an independent specialist, Jones, Lang LaSalle Limited, in August 2018. This valuation was been used to support the basis of the directors' valuation as at 29 September 2018.

7 Fixed asset investments

	2020 £	2018 £
Other investments other than loans	-	18,801
	<hr/>	<hr/>

The directors based the fair value of unlisted investments on the conditional offer letter received in January 2020 regarding the acquisition of the company's shareholding. At the balance sheet date, these investments were transferred to current assets at a fair value of £47,724 (2018: £18,801).

NEWATER INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 3 APRIL 2020

7 Fixed asset investments (Continued)

Movements in fixed asset investments

	Investments other than loans £
Cost or valuation	
At 30 September 2018	18,801
Valuation changes	28,923
Transferred to current investments	(47,724)
At 3 April 2020	-
Carrying amount	
At 3 April 2020	-
At 29 September 2018	18,801

8 Debtors

	2020 £	2018 £
Amounts falling due within one year:		
Trade debtors	35,027	181,321
Other debtors	26,556	-
Prepayments and accrued income	3,700	193,434
	<u>65,283</u>	<u>374,755</u>

9 Current asset investments

	2020 £	2018 £
Other investments	<u>47,724</u>	<u>-</u>

NEWATER INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 3 APRIL 2020

10 Creditors: amounts falling due within one year

	2020	2018
	£	£
Bank loans	-	38,500
Trade creditors	7,856	41,610
Corporation tax	90,238	-
Other taxation and social security	5,293	10,058
Dividends payable	113,754	-
Other creditors	-	5,938
Accruals and deferred income	93,748	204,771
	<u>310,889</u>	<u>300,877</u>

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

11 Creditors: amounts falling due after more than one year

	2020	2018
	£	£
Bank loans and overdrafts	-	231,000
	<u>-</u>	<u>231,000</u>

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

12 Financial commitments, guarantees and contingent liabilities

As at 3 April 2020, the company had no commitments, guarantees or contingencies in place following the disposal of the investment property. As at 29 September 2018, the company was committed to the payment of an annual ground rent of £47,000, subject to review in 2029, until 29 September 2062. This commitment fell away upon the sale of the leasehold property held by the company.

13 Events after the reporting date

As part of the sale of the investment property there is a contingent asset totalling £75,000 which is payable if certain conditions are met.