

REGISTERED NUMBER: 00678567

Report of the Directors and
Financial Statements
for the Year Ended 29th September 2017
for
NEWATER INVESTMENTS LIMITED



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for the Year Ended 29th September 2017

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NEWATER INVESTMENTS LIMITED

Company Information
for the Year Ended 29th September 2017

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 Audit Services
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 2017

Results

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

Rents and service charges receivable from Newater House reduced to £434,723 (2016: £477,692). This was as a result of a full year of void on the part 1st floor. There were no new lettings in the year.

Cost of sales increased to £258,591 (2016: £219,732); service charge costs increased in the year, and there was also an increase in professional fees due to rent reviews and such like. Rates, water and lighting and heating costs were however reduced.

Administrative expenses were again tightly controlled with a resulting profit on Ordinary Activities before Taxation amounting to £68,792 (2016: £131,025).

The value of Newater House has in the directors' opinion remained the same at £2.170m (2016: £2.170m). Bank debt was further reduced in the year to £308,000 (2016: £346,500). As a result the balance sheet is improved, shareholders' funds having increased by 3.29% in the year to £2,162,241 (2016: £2,093,449).

Newater House

During the year under review, unfortunately no new lettings have been agreed. The Board and its advisors continue to work hard to secure tenants for the part 1st floor and the whole of the 4th floor.

There has been much activity in managing existing tenants. An improvement in rent has been achieved following the conclusion of a rent review on the ground floor restaurant, ASC Connections have entered into a new lease on the part 1st floor space also at an improved rent, and Haskoning on the 5th floor are remaining in the building following the removal of their break option. Market conditions continue to be challenging for secondary office space.

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

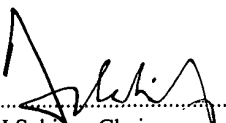
The directors' are continuing with the previous policy on dividend payments for another year, considering it inappropriate to pay dividends until bank borrowings are further reduced and whilst there is still vacant space in the building. When lettings for the remaining vacant space are secured, the dividend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

Annual General Meeting

The Annual General Meeting will be held on Thursday 26th April 2018 at 12.15pm at Newater House and I look forward to welcoming shareholders.

Prospects

The Board are satisfied that the Company is in a stable financial position but are constantly monitoring the state of the investment market whilst considering the future strategy. The Board continue to be optimistic about the future prospects for the Company.


D J Sebire - Chairman

NEWATER INVESTMENTS LIMITED (REGISTERED NUMBER: 00678567)

Report of the Directors
for the Year Ended 29th September 2017

The directors present their report with the financial statements of the company for the year ended 29th September 2017.

DIRECTORS

The directors shown below have held office during the whole of the period from 30th September 2016 to the date of this report.

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

AUDITOR

Davies Mayers Barnett LLP resigned as auditors on 30th October 2017 and were replaced by Davies Mayers Barnett Audit Services, a trading name of Baldwins Audit Services Limited.

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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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;

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:



J. M. Turner - Secretary

12th March 2018

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

Opinion

We have audited the financial statements of Newater Investments Limited (the 'company') for the year ended 29th September 2017 on pages six to eleven. 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).

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.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 29th September 2017 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 Auditors' 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 in the Annual Report, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and 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, 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.

Opinion 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors 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 Report of the Directors.

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.

Responsibilities of directors

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, and for such internal control as the directors determine 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.

Our 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 a Report of the Auditors 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 www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.



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

29th March 2018

NEWATER INVESTMENTS LIMITED (REGISTERED NUMBER: 00678567)

Profit and Loss Account
for the Year Ended 29th September 2017

| Notes | 2017 £ | 2016 £ |
|---------------------------------------|----------------------|-----------------------|
| TURNOVER | 434,723 | 477,692 |
| Cost of sales | <u>(258,591)</u> | <u>(219,732)</u> |
| GROSS PROFIT | 176,132 | 257,960 |
| Administrative expenses | <u>(97,920)</u> | <u>(114,935)</u> |
| OPERATING PROFIT | 78,212 | 143,025 |
| Income from fixed asset investments | <u>1,083</u> | <u>527</u> |
| | 79,295 | 143,552 |
| Interest payable and similar expenses | <u>(10,503)</u> | <u>(12,527)</u> |
| PROFIT BEFORE TAXATION | 68,792 | 131,025 |
| Tax on profit | <u>-</u> | <u>-</u> |
| PROFIT FOR THE FINANCIAL YEAR | <u>68,792</u> | <u>131,025</u> |

The notes form part of these financial statements

NEWATER INVESTMENTS LIMITED (REGISTERED NUMBER: 00678567)

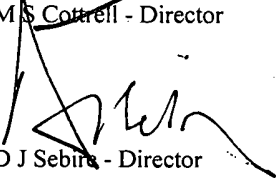
Balance Sheet
29th September 2017

| | Notes | 2017 £ | 2016 £ |
|--|-------|-------------------------|-------------------------|
| FIXED ASSETS | | | |
| Investments | 5 | 2,188,801 | 2,188,801 |
| CURRENT ASSETS | | | |
| Debtors | 6 | 333,501 | 359,230 |
| Cash at bank | | 153,767 | 67,027 |
| | | <u>487,268</u> | <u>426,257</u> |
| CREDITORS | | | |
| Amounts falling due within one year | 7 | (513,828) | (213,609) |
| NET CURRENT (LIABILITIES)/ASSETS | | <u>(26,560)</u> | <u>212,648</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>2,162,241</u> | <u>2,401,449</u> |
| CREDITORS | | | |
| Amounts falling due after more than one year | 8 | - | (308,000) |
| NET ASSETS | | <u><u>2,162,241</u></u> | <u><u>2,093,449</u></u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | | 46,000 | 46,000 |
| Non-distributable reserve | | 1,121,663 | 1,121,663 |
| Retained earnings | | 994,578 | 925,786 |
| SHAREHOLDERS' FUNDS | | <u><u>2,162,241</u></u> | <u><u>2,093,449</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.

The financial statements were approved by the Board of Directors on 12th March 2018 and were signed on its behalf by:


M S Cottrell - Director


D J Sebire - Director

The notes form part of these financial statements

NEWATER INVESTMENTS LIMITED (REGISTERED NUMBER: 00678567)

Notes to the Financial Statements
for the Year Ended 29th September 2017

1. STATUTORY INFORMATION

Newater Investment Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006.

Details of adjustments made on transition to FRS 102 are disclosed in the First Year Adoption note.

3. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared on a going concern basis, under the historical cost basis except for the modification to a fair value basis where specified.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Turnover from a contract to provide services is recognised in the period in which the services are provided and in accordance with the stage of completion of the contract at the balance sheet date.

Taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

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

Current and deferred tax are determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Fixed asset investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value through profit or loss if the shares are publicly traded or their fair value can otherwise be measured reliably.

Investments in unlisted investments

Investments in unlisted investments are accounted for at cost less accumulated impairment losses.

Dividends received are included in profit or loss when receivable.

Investment properties

Investment properties are measured at fair value at each reporting date with changes in fair value 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.

Notes to the Financial Statements - continued
for the Year Ended 29th September 2017

3. ACCOUNTING POLICIES - continued

Short term debtors and creditors

Short term debtors and creditors with no stated interest rate are recorded at transaction price. Any losses arising from impairment are recognised in profit or loss.

Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

Provisions

Provisions are recognised when the company has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

Critical accounting estimates and assumptions

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.

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.

The fair value of investment properties was reassessed at 29th June 2015 to be £2,170,000. Consequently, a gain of £317,872 was recognised, net of taxation.

4. EMPLOYEES AND DIRECTORS

The average monthly number of employees during the year was 5 (2016 - 5).

NEWATER INVESTMENTS LIMITED (REGISTERED NUMBER: 00678567)

Notes to the Financial Statements - continued
for the Year Ended 29th September 2017

5. FIXED ASSET INVESTMENTS

| | 2017 | 2016 |
|------------------------------------|-----------|-----------|
| | £ | £ |
| Other investments other than loans | 2,188,801 | 2,188,801 |

Other investments summary

| | 2017 | 2016 |
|------------------------|------------------|------------------|
| | £ | £ |
| Unlisted investments | 18,801 | 18,801 |
| Leasehold property | 2,170,000 | 2,170,000 |
| At 29th September 2017 | <u>2,188,801</u> | <u>2,188,801</u> |

Investment Property - Leasehold property

Fair value at 29th September 2017 is represented by:

| | £ |
|-------------------|------------------|
| Valuation in 2015 | 317,872 |
| Valuation in 2014 | 803,791 |
| Cost | 1,048,337 |
| | <u>2,170,000</u> |

Investment property is valued on an open market basis.

Advice was sought from an independent specialist, DTZ Debenham Tie Leung Limited in June 2015. This valuation has been used to support the basis of the directors' valuation as at 29th September 2017.

Unlisted investments

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 (2016: £18,801).

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2017 | 2016 |
|--------------------------------|----------------|----------------|
| | £ | £ |
| Trade debtors | 107,020 | 140,208 |
| Prepayments and accrued income | 226,481 | 219,022 |
| | <u>333,501</u> | <u>359,230</u> |

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2017 | 2016 |
|---------------------------------|----------------|----------------|
| | £ | £ |
| Bank loans and overdrafts | 308,000 | 38,500 |
| Trade creditors | 3,153 | 2,845 |
| Social security and other taxes | 14,817 | 12,684 |
| Other creditors | 5,938 | 5,938 |
| Accruals and deferred income | 181,920 | 153,642 |
| | <u>513,828</u> | <u>213,609</u> |

Notes to the Financial Statements - continued
for the Year Ended 29th September 2017

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

| | 2017 £ | 2016 £ |
|------------|-----------|-----------|
| Bank loans | - | 308,000 |

9. SECURED DEBTS

The following secured debts are included within creditors:

| | 2017 £ | 2016 £ |
|------------|-----------|-----------|
| Bank loans | 308,000 | 346,500 |

Amounts due to the company's bankers are secured by a first legal charge over the company's investment property. The bank loan is due to mature in August 2018. Current discussions with the bank indicate their continued support and a willingness to renegotiate and put in place a new facility on maturity.

10. OTHER FINANCIAL COMMITMENTS

As at 29th September 2017, the company continues to be committed to the payment of an annual ground rent of £47,000 until 29th September 2062. This commitment falls away upon the sale of the leasehold property held by the company.

11. FIRST YEAR ADOPTION

This year is the first year the company has presented its results under FRS 102. The last financial statements prepared under the previous UK GAAP were for the period ended 29th September 2016. The date of transition to FRS 102 was 30th September 2015.

The following adjustments have been noted on transition to FRS 102:

Accounting for taxation and revaluations

FRS 102 requires that an entity shall recognise a deferred taxation liability in respect of any chargeable gain that may arise on a future sale of an investment property at its fair value amount.

Under previous UK GAAP, there was no requirement to provide for deferred tax in relation to a possible future gain on the sale of revalued assets.

As at 30th September 2015 the company's investment property was held at valuation and a gain of £1,121,663 had been recognised within a revaluation reserve. Upon transition to FRS 102, this reserve was transferred to a non-distributable reserve. At this date, deferred tax in relation to this gain was assessed to be £Nil.

The following table shows the effect as at the date of transition:

| | Previous UK GAAP £ | Effect of transition to FRS 102 £ | FRS 102 £ |
|---------------------------|--------------------------|---|--------------|
| Revaluation reserve | 1,121,663 | (1,121,663) | - |
| Non-distributable reserve | - | 1,121,663 | 1,121,663 |