

VIRGIN STRAUSS WATER UK LTD

**Company Registration Number:
04880825 (England and Wales)**

Unaudited statutory accounts for the year ended 31 December 2021

Period of accounts

Start date: 1 January 2021

End date: 31 December 2021

VIRGIN STRAUSS WATER UK LTD

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VIRGIN STRAUSS WATER UK LTD

Directors' report period ended 31 December 2021

The directors present their report with the financial statements of the company for the period ended 31 December 2021

Principal activities of the company

Principal activities The principal activity of the company during the year continued to be the rental, sale and distribution of water dispensers.

Additional information

Results and dividends The results for the year are set out on page 7. No ordinary dividends were paid. The directors do not recommend payment of a final dividend. No preference dividends were paid. The directors do not recommend payment of a final dividend. Directors The directors who held office during the year and up to the date of signature of the financial statements were as follows: R Zohar (Resigned 21 June 2021) A Gibbs D Nessimi L Cohen Rofe C Esti (Appointed 8 June 2021) Going concern Notwithstanding that as of 31 December 2021 the company has a net current liability position of £25,007,925 (2020: £20,651,034), net liabilities of £26,195,946 (2020: £21,766,286), which include £31,038,892 (2020: £25,881,601) due to the parent company, and expects further trading losses in 2021, the accounts have been prepared on a going concern basis for the following reasons: The future operating plan has been approved by the Board and Strauss Water Limited has undertaken to continue to support the business by not calling in the amounts owed to it and by continuing to supply further inventory on deferred payments terms to provide additional working capital. They have also indicated that they are likely to provide further funding for growth plans: An agreement between the shareholders dated 25 December 2017 provides that there will be no repayment or reclaim of the debts already owing at the balance sheet date until the Company is generating positive free cash flow; Management have prepared an in depth analysis of the business situation and cash flow forecast based on current and forecast sales volumes and operating costs under a range of scenarios. The directors have considered the assumptions made and consider the forecasts and targets reasonable and realistic. In the event that growth funding is not provided the directors forecast that, taking into account the other support provided by the parent company described above, the business will generate sufficient cash for it to meet its other liabilities as they become due for a period of at least 12 months from the signing of these financial statements. On the basis of these projections and agreements, and current trading performance, the directors consider the Company will continue to operate and hence that the use of the going concern basis is appropriate. Auditor Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and Moore Kingston Smith LLP will therefore continue in office.

Directors

The directors shown below have held office during the whole of the period from
1 January 2021 to 31 December 2021

A Gibbs
D Nessimi
L Cohen Rofe

The director shown below has held office during the period of
1 January 2021 to 21 June 2021

R Zohar

The director shown below has held office during the period of
8 June 2021 to 31 December 2021

E Carmeli

The above report has been prepared in accordance with the special provisions in part 15 of the Companies Act 2006

This report was approved by the board of directors on
15 March 2022

And signed on behalf of the board by:

Name: E Carmeli
Status: Director

VIRGIN STRAUSS WATER UK LTD

Profit And Loss Account for the Period Ended 31 December 2021

| | 2021 | 2020 |
|--|--------------------|--------------------|
| | £ | £ |
| Turnover: | 6,159,063 | 5,354,175 |
| Cost of sales: | (5,750,854) | (3,706,288) |
| Gross profit(or loss): | 408,209 | 1,647,887 |
| Distribution costs: | (877,492) | (1,021,521) |
| Administrative expenses: | (2,469,720) | (2,570,788) |
| Operating profit(or loss): | (2,939,003) | (1,944,422) |
| Interest payable and similar charges: | (1,489,384) | (911,048) |
| Profit(or loss) before tax: | (4,428,387) | (2,855,470) |
| Profit(or loss) for the financial year: | (4,428,387) | (2,855,470) |

VIRGIN STRAUSS WATER UK LTD

Balance sheet

As at 31 December 2021

| | <i>Notes</i> | <i>2021</i> | <i>2020</i> |
|--|--------------|-----------------------|-----------------------|
| | | <i>£</i> | <i>£</i> |
| Fixed assets | | | |
| Intangible assets: | 3 | 404,689 | 325,743 |
| Tangible assets: | 4 | 1,429,282 | 1,398,198 |
| Total fixed assets: | | <u>1,833,971</u> | <u>1,723,941</u> |
| Current assets | | | |
| Stocks: | 5 | 1,817,712 | 1,335,154 |
| Debtors: | 6 | 1,752,244 | 1,352,183 |
| Cash at bank and in hand: | | 577,457 | 747,234 |
| Total current assets: | | <u>4,147,413</u> | <u>3,434,571</u> |
| Creditors: amounts falling due within one year: | 7 | (28,998,119) | (23,987,113) |
| Net current assets (liabilities): | | <u>(24,850,706)</u> | <u>(20,552,542)</u> |
| Total assets less current liabilities: | | <u>(23,016,735)</u> | <u>(18,828,601)</u> |
| Creditors: amounts falling due after more than one year: | 8 | (3,020,719) | (2,839,193) |
| Provision for liabilities: | | (157,219) | (98,492) |
| Total net assets (liabilities): | | <u>(26,194,673)</u> | <u>(21,766,286)</u> |
| Capital and reserves | | | |
| Called up share capital: | | 4,899,673 | 4,899,673 |
| Share premium account: | | 3,483,204 | 3,483,204 |
| Other reserves: | | 398,994 | 521,156 |
| Profit and loss account: | | (34,976,544) | (30,670,319) |
| Total Shareholders' funds: | | <u>(26,194,673)</u> | <u>(21,766,286)</u> |

The notes form part of these financial statements

VIRGIN STRAUSS WATER UK LTD

Balance sheet statements

For the year ending 31 December 2021 the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

**This report was approved by the board of directors on 15 March 2022
and signed on behalf of the board by:**

Name: E Carmeli
Status: Director

The notes form part of these financial statements

VIRGIN STRAUSS WATER UK LTD

Notes to the Financial Statements

for the Period Ended 31 December 2021

1. Accounting policies

Basis of measurement and preparation

These financial statements have been prepared in accordance with the provisions of Financial Reporting Standard 101

Turnover policy

RevenueThe standard presents a new five step model for the recognition of revenue from contracts with customers, which consists of five steps:1. Identify the contract with the customer.2. Identify separate performance obligations in the contract.3. Determine the transaction price.4. Allocate the transaction price to separate performance obligations.5. Recognise revenue when the entity satisfies a performance obligation.The contracts include multiple deliverables, such as the sale of waterbar and related installation services.However, the installation is simple, does not include an integration service and could be performed by another party. It is therefore accounted for as a separate performance obligation.Revenue is recognised at the point in time when the relevant performance obligation is satisfied under the contractual agreement. The performance obligation for unit sale or installation is considered to be satisfied when the waterbars have been transferred to the customer and the customer has obtained control of that asset. The revenue for subscription or maintenance is recognised over the life of the contract, with the relevant amounts accrued or deferred where necessary.Revenue is measured at the transaction price, being the fair value of the consideration received or receivable. The transaction price is reduced for estimated customer returns, rebates and other similar allowances.The recognition of discounts is aligned to the recognition of the underlying revenue to which discount has been applied. All revenue is earned from UK sources and is generated from principle activities of the business.

Tangible fixed assets depreciation policy

Plant and equipment is stated at cost, net of accumulated depreciation and impairment.Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:Leasehold improvements over the lease termPlant and equipment over 3 yearsInformation technology over 3 to 7 yearsWaterbars and installation costs over 6 yearsRight of use asset over the lease termThe gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income statement.

Intangible fixed assets amortisation policy

Intangible assets other than goodwillThe development costs are recorded as an intangible asset and is stated at the cost for application, infrastructure and content development. Customer acquisition costs and computer software are initially recorded at cost, with annual review for impairment. Amortisation is charged as follows:Website development over 3 yearsCustomer acquisition costs over 6 yearsComputer software over 3 to 7 years

Valuation information and policy

1.7 InventoriesInventories are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. The cost includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.Net realisable value is the estimated selling price less all estimated selling price in the ordinary course of business.1.8 Fair value measurementIFRS 13 establishes a single source of guidance for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The resulting calculations under IFRS 13 affected the principles that the company uses to assess the fair value, but the assessment of fair value under IFRS 13 has not materially changed the fair values recognised or disclosed. IFRS 13 mainly impacts the disclosures of the company. It requires specific disclosures about fair value measurements and disclosures of fair values, some of which replace existing disclosure requirements in other standards.

Other accounting policies

1.9 Cash and cash equivalentsCash and cash equivalents comprise cash balances and deposits and are shown net of bank overdrafts where the company has the right of offset.1.10 Financial assetsAll recognised financial assets are required to be measured at amortised cost or fair value on the basis of the Company's business model for managing the financial assets and the contractual cash flow characteristics of the assets.Amounts receivable which comprise trade and other receivables are carried at amortised cost less impairments.Impairment of financial assetsA loss allowance is recognised on initial recognition of financial assets held at amortised cost, based on expected credit losses, and is remeasured annually with changes appearing in profit or loss. For assets with a maturity of 12 months or less, including trade receivables, the 12-month expected loss allowance is equal to the lifetime expected loss allowance.1.11 Financial liabilitiesAmounts payable which comprise trade and other payables are carried at amortised cost.1.12 Equity instrumentsEquity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.1.13 TaxationThe tax expense represents the sum of the tax currently payable and deferred tax liability. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability. The amount recognised as a provision is reviewed at each reporting date.1.15 Employee benefitsThe 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 inventories or non-current assets.The cost of any unused holiday entitlement is recognised in the period in which the employee's services are

received. Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.16 Retirement benefits The company operates a defined contribution pension scheme. Contributions payable for the year are charged to the income statement.

1.17 Leases Rentals payable under operating leases, less any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed. Under IFRS 16 the company recognises right of use assets and lease liabilities for leases other than those for low value assets or for short term leases of 12 months or less. Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. The initial direct costs are recognised when the unit had been installed as per 1.3, which is a departure from IAS 17. However the directors believe that the treatment applied provides a true and fair view to the users of the accounts.

1.18 Foreign exchange Transactions in foreign currencies are translated to the company's functional currencies at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

1.19 Finance costs Financing expenses comprise interest payable, bank charges and payment gateway charges, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the income statement (see foreign currency accounting policy).

VIRGIN STRAUSS WATER UK LTD

Notes to the Financial Statements

for the Period Ended 31 December 2021

2. Employees

| | 2021 | 2020 |
|---|------|------|
| Average number of employees during the period | 29 | 31 |

Their aggregate remuneration comprised: 2021 2020 £ Wages and salaries 1,386,457 1,375,702 Social security costs 127,730 135,570 Pension costs 16,982 16,793 1,531,169 1,528,065 No remuneration or benefits were paid to the directors during the year (2020: nil). Key management personnel were compensated a total of £661,802 in remuneration in 2021 (2020: £638,436). The company pays into a personal pension scheme on behalf of some of its employees. As at 31 December 2021 the company owed £nil to the fund (2020: £nil).

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Notes to the Financial Statements

for the Period Ended 31 December 2021

3. Intangible assets

| | Goodwill | Other | Total |
|-----------------------|----------|------------|------------|
| Cost | £ | £ | £ |
| At 1 January 2021 | | 744,505 | 744,505 |
| Additions | | 245,622 | 245,622 |
| Disposals | | (29,167) | (29,167) |
| Revaluations | | 1,273 | 1,273 |
| Transfers | | | |
| At 31 December 2021 | | 962,233 | 962,233 |
| Amortisation | | | |
| At 1 January 2021 | | 418,762 | 418,762 |
| Charge for year | | 151,991 | 151,991 |
| On disposals | | (13,209) | (13,209) |
| Other adjustments | | | |
| At 31 December 2021 | | 557,544 | 557,544 |
| Net book value | | | |
| At 31 December 2021 | | 404,689 | 404,689 |
| At 31 December 2020 | | 325,743 | 325,743 |

VIRGIN STRAUSS WATER UK LTD

Notes to the Financial Statements

for the Period Ended 31 December 2021

4. Tangible assets

| | Land & buildings | Plant & machinery | Fixtures & fittings | Office equipment | Motor vehicles | Total |
|-----------------------|------------------|-------------------|---------------------|------------------|----------------|-------------|
| Cost | £ | £ | £ | £ | £ | £ |
| At 1 January 2021 | | 3,248,691 | | | | 3,248,691 |
| Additions | | 704,848 | | | | 704,848 |
| Disposals | | (564,344) | | | | (564,344) |
| Revaluations | | | | | | |
| Transfers | | | | | | |
| At 31 December 2021 | | 3,389,195 | | | | 3,389,195 |
| Depreciation | | | | | | |
| At 1 January 2021 | | 1,850,493 | | | | 1,850,493 |
| Charge for year | | 450,583 | | | | 450,583 |
| On disposals | | (341,163) | | | | (341,163) |
| Other adjustments | | | | | | |
| At 31 December 2021 | | 1,959,913 | | | | 1,959,913 |
| Net book value | | | | | | |
| At 31 December 2021 | | 1,429,282 | | | | 1,429,282 |
| At 31 December 2020 | | 1,398,198 | | | | 1,398,198 |

VIRGIN STRAUSS WATER UK LTD

Notes to the Financial Statements

for the Period Ended 31 December 2021

5. Stocks

| | <i>2021</i> | <i>2020</i> |
|--------|------------------|------------------|
| | £ | £ |
| Stocks | 1,817,712 | 1,335,154 |
| Total | <u>1,817,712</u> | <u>1,335,154</u> |

VIRGIN STRAUSS WATER UK LTD

Notes to the Financial Statements

for the Period Ended 31 December 2021

6. Debtors

| | <i>2021</i> | <i>2020</i> |
|--------------------------------|-------------------------|------------------|
| | £ | £ |
| Trade debtors | 1,148,397 | 845,116 |
| Prepayments and accrued income | 556,305 | 321,895 |
| Other debtors | 47,542 | 185,172 |
| Total | <u>1,752,244</u> | <u>1,352,183</u> |

VIRGIN STRAUSS WATER UK LTD

Notes to the Financial Statements

for the Period Ended 31 December 2021

7. Creditors: amounts falling due within one year note

| | <i>2021</i> | <i>2020</i> |
|--|--------------------------|-------------------|
| | £ | £ |
| Amounts due under finance leases and hire purchase contracts | 32,635 | 13,275 |
| Trade creditors | 105,752 | 213,133 |
| Taxation and social security | 47,431 | 37,044 |
| Accruals and deferred income | 426,034 | 319,381 |
| Other creditors | 28,386,267 | 23,404,280 |
| Total | <u>28,998,119</u> | <u>23,987,113</u> |

VIRGIN STRAUSS WATER UK LTD

Notes to the Financial Statements

for the Period Ended 31 December 2021

8. Creditors: amounts falling due after more than one year note

| | <i>2021</i> | <i>2020</i> |
|--|-------------------------|------------------|
| | £ | £ |
| Amounts due under finance leases and hire purchase contracts | 64,177 | 4,813 |
| Other creditors | 2,956,542 | 2,834,380 |
| Total | <u>3,020,719</u> | <u>2,839,193</u> |

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.