

Belu Water Limited

Directors' Report and Financial Statements For the Year Ended 31 December 2015

Company Registration No: 4542161 (England and Wales)

Company Information

Directors

M King
K J Lynch
P Tyson

Company Secretary

L de Poitiers

Company Number

4542161

Business address / Registered office

62 Hatton Garden
London
EC1N 8LR

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DIRECTORS' REPORT

The directors present their report and financial statements for the year ended 31 December 2015.

PRINCIPAL ACTIVITIES, BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The principal activity of Belu Water Limited (the 'Company') is the sale of bottled mineral water, under the brand name "Belu".

The Company operates as a Social enterprise. The primary purpose of the business is to exemplify environmental practices in the provision of bottled mineral water and associated services to the hospitality industry. The Company delivers products that are made in the UK using light weight and recycled materials and seeks to demonstrate that this can be done sustainably. All of the Company's profits are passed to WaterAid through our contractual partnership.

PARTNERSHIP WITH WATERAID

The Company's partnership with WaterAid began in 2011 when we pledged to pass across all profits, with a contractual minimum of £300,000 over three years. The Company achieved this within 18 months, and as the partnership was such a success it was extended to 2020.

Since 2011 to date, the Company has passed over £1m to WaterAid, enabling them to continue to transform lives through the delivery of safe drinking water, toilet facilities, campaigning for change, and to build the skills of local people.

We feel very proud to have been able to assist and be a part of their vision to ensure everyone everywhere has safe water, sanitation and hygiene.

In order to deliver on our ambitious aspirations, we work closely with WaterAid to agree how we can grow our business. We discuss proposals for reinvestment so that we can maximise the profits we raise for Wateraid, all of which go towards delivering water, sanitation and hygiene projects in some of the poorest communities in the world.

POLITICAL DONATIONS

No political donations were made nor any political expenditure incurred during the year (2014: nil)

RESULTS AND DIVIDENDS

The Company reports a profit before tax of £144,647 for the financial year ended 31 December 2015 (2014: £232,776). This profit is stated after paying £489,968 (2014: £433,000) to WaterAid by way of royalty payments.

An analysis of the performance of the Company against its measurable targets can be found in its Impact Report (obtainable from <http://www.belu.org>).

The directors do not recommend the payment of a dividend (2014: nil).

PRINCIPAL RISKS AND UNCERTAINTIES

The management of the business and execution of the strategy is subject to a number of risks. In assessing its principal risks and uncertainties, the Company has considered their potential impact, their likelihood, what controls it has in place and what steps it can take to mitigate such risks.

The Company's principal risks and uncertainties can be broadly grouped as operational, business and financial risk.

The Company has appropriate controls in place to manage its operational risk, including system failures, fraud and theft, failure to comply with taxation requirements and breach of regulatory rules and other legislation.

The key business risks and uncertainties affecting the business are considered to relate to the selling of bottled mineral water and changes in the regulatory environment. The Company has appropriate controls in place to identify and address business risks relating to changes in the regulatory environment, and actively monitors and works towards retaining key customers.

Whilst the Company believes financial risk to be minimal, it manages its business and cashflow to ensure it has sufficient working capital.

DIRECTORS

The following directors held office during the year;

M King
K J Lynch
P Tyson

DISCLOSURE OF INFORMATION TO THE AUDITORS

The directors who held office at the date of the approval of the financial statements confirmed that, so far as they are aware, there is no relevant audit information of which the Company's auditors are unaware and that they have taken all the steps that they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

The directors confirm that the requirements in the Statement of Directors' Responsibilities in respect of the directors' Report and the Financial Statements have been met in preparing these Financial Statements.

INDEPENDENT AUDITORS

Pursuant to section 487 of the Companies Act 2006, Buzzacott LLP were appointed as auditors and commenced in office during the year.

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

On behalf of the board



K J Lynch
Director

Date : 21 March 2016

Statement of Directors' Responsibilities in Respect of the Directors' Report and Financial Statements

The Directors are responsible for preparing the Directors' 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 judgments 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.

Independent Auditor's Report to the Members of Belu Water Limited

We have audited the financial statements of Belu Water Limited for the year ended 31 December 2015, which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in 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.

Respective responsibilities of directors and auditors

As explained more fully in the directors' responsibilities statement set out in the directors' report, 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

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

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 31 December 2015 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.

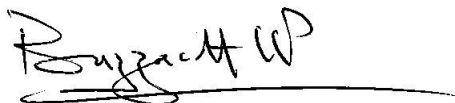
Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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 the exemption from the requirement to prepare a Strategic report.



21 March 2016

Avnish Savjani (senior statutory auditor)
for and on behalf of
Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

Profit and Loss Account for the year ended 31 December 2015

	<i>Notes</i>	Year ended 31 December 2015	Year ended 31 December 2014
		£	£
Turnover		5,318,882	4,673,946
Cost of sales		(3,818,254)	(3,314,777)
Gross profit		1,500,628	1,359,169
Administrative expenses		(863,636)	(686,722)
Operating profit before WaterAid royalty payments		636,992	672,447
Royalty payments to charity partner WaterAid		(489,968)	(433,000)
Operating profit	2	147,024	239,447
Other income	4	2,930	587
Interest payable	5	(5,307)	(7,258)
Profit on ordinary activities before taxation		144,647	232,776
Tax on profit on ordinary activities	6	(230)	-
Profit for the financial year	12	144,417	232,776

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those included in the results above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit on ordinary activities before taxation and the profit for the financial year and their historical cost equivalent.

The accounting policies and the notes on pages 9 to 16 form an integral part of these financial statements.

Balance Sheet as at 31 December 2015

	<i>Notes</i>	2015	2015	2014	2014
		£	£	£	£
Fixed assets					
Tangible assets	7		<u>8,606</u>		<u>14,563</u>
			8,606		14,563
Current assets					
Stocks	8	40,073		45,606	
Debtors	9	1,066,545		919,279	
Cash at bank and in hand		<u>1,004,812</u>		<u>682,023</u>	
		2,111,430		1,646,908	
Creditors: amounts falling due within one year	10	<u>(1,635,286)</u>		<u>(1,321,138)</u>	
Net current assets			476,144		325,770
Total assets less current liabilities			<u>484,750</u>		<u>340,333</u>
Net assets			<u>484,750</u>		<u>340,333</u>
Capital and reserves					
Called up share capital	11		728,750		728,750
Capital contribution reserve	12		200,000		200,000
Profit and loss account	12		<u>(444,000)</u>		<u>(588,417)</u>
Shareholders' funds	13		<u>484,750</u>		<u>340,333</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime. These financial statements were approved by the board of directors and authorised for issue on 21 March 2016



K J LYNCH
Director

The accounting policies and the notes on pages 9 to 16 form an integral part of these financial statements

Notes

1. Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention in accordance with the Financial Reporting Standards for Smaller Entities (effective January 2015) and applicable accounting standards. A summary of the accounting policies is set out below.

Under FRS 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds of its size.

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Turnover

Turnover primarily represents the sale of bottled mineral water supplied by the Company, net of value added tax and trade discounts, upon the delivery of goods at which point the contractual obligations for payment arises.

Fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation.

Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful economic life as follows:

Plant and machinery	-	5 years straight line
Computers	-	3 years straight line

Stock

Stocks are stated at the lower of cost and net realisable value. For finished goods cost is taken as purchase cost.

Taxation

The charge for taxation is based on the results for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised in respect of all timing differences which have arisen but not reversed by the balance sheet date where transactions or events result in an obligation to pay additional tax in the future, or a right to pay less tax in the future.

A deferred tax asset is not recognised to the extent that the transfer of economic benefit is uncertain. Deferred tax is measured on a non-discounted basis.

Financial liability and equity

Financial instruments issued by the Company are treated as equity (i.e. forming part of the shareholders' funds) only to the extent that they meet the following two conditions:

- (i) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- (ii) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

The financial instruments that do not meet the above criteria are treated as financial liabilities.

Notes (continued)

1. Accounting policies (continued)

Interest income and expenses

Related charges and income are treated as an interest expense or income item and recognised in the profit and loss account on an accruals basis.

2. Operating profit

	Year ended 31 December 2015	Year ended 31 December 2014
	£	£
Operating profit is stated after charging:		
Depreciation of tangible fixed assets	7,231	4,481
Charges under operating leases	20,002	20,002
Auditors remuneration :		
-Audit	13,050	12,458
-Tax compliance	2,925	2,500

3. Staff costs

	Year ended 31 December 2015	Year ended 31 December 2014
	No.	No.
Administrative staff	11	8

The aggregate payroll costs, including directors, of these administrative staff was as follows:

	Year ended 31 December 2015	Year ended 31 December 2014
	£	£
Wages and salaries	425,735	327,130
Social security costs	47,778	34,798
	473,513	361,928

Aggregate directors' remuneration during the year was £118,000 (2014: £105,000).

Notes (continued)

4. Other income

	Year ended 31 December 2015	Year ended 31 December 2014
	£	£
Bank Interest Receivable	1,347	50
Professional Services Rendered	1,583	537
	2,930	587

5. Interest payable

	Year ended 31 December 2015	Year ended 31 December 2014
	£	£
Factoring charges	5,307	7,258
	5,307	7,258

6. Taxation

Analysis of charge in period

	Year ended 31 December 2015	Year ended 31 December 2014
	£	£
Total current tax	230	-
<i>Deferred tax</i>		
Reversal of timing differences	-	-
	230	-

Notes (continued)

6. Taxation (continued)

Factors affecting the tax charge for the current period

The current tax charge for the period is lower (2014: lower) than the standard rate of corporation tax in the UK (20%, 2014: 20%). The differences are explained below:

	Year ended 31 December 2015	Year ended 31 December 2014
	£	£
Current tax charge		
Profit on ordinary activities before tax	<u>144,647</u>	<u>232,776</u>
Current tax @ 20% (2014: 20%)	28,929	46,555
Effects of:		
Expenses not deductible for tax purposes	1,105	-
Capital allowances less than (in excess of) depreciation	958	(2,111)
Utilisation of tax losses	(30,762)	(44,444)
Total current tax charge	<u>230</u>	<u>-</u>

7. Tangible fixed assets

<i>Total tangible fixed assets</i>	Plant and machinery	Computers	Fixtures and fittings	Total
	£	£	£	£
Cost				
At 1 January 2015	69,296	12,692	1,606	83,594
Additions	10,275	2,500	-	12,775
Disposals	(14,296)	-	-	(14,296)
At 31 December 2015	<u>65,275</u>	<u>15,192</u>	<u>1,606</u>	<u>82,073</u>
Depreciation				
At 1 January 2015	63,299	5,482	250	69,031
Charge for the year	3,026	3,670	535	7,231
Charge on disposals	(2,795)	-	-	(2,795)
At 31 December 2015	<u>63,530</u>	<u>9,152</u>	<u>785</u>	<u>73,467</u>
Net book value				
At 31 December 2015	<u>1,745</u>	<u>6,040</u>	<u>821</u>	<u>8,606</u>
At 1 January 2015	<u>5,997</u>	<u>7,210</u>	<u>1,356</u>	<u>14,563</u>

Notes (continued)

8. Stocks

	Year ended 31 December 2015	Year ended 31 December 2014
	£	£
Finished goods and goods for sale	40,073	45,606
	<u>40,073</u>	<u>45,606</u>

9. Debtors

	Year ended 31 December 2015	Year ended 31 December 2014
	£	£
Trade debtors	1,060,483	908,026
Prepayments and accrued income	4,416	11,253
Other debtors	1,646	-
	<u>1,066,545</u>	<u>919,279</u>

10. Creditors: amounts falling due within one year

	Year ended 31 December 2015	Year ended 31 December 2014
	£	£
Trade creditors	789,005	572,055
Accruals	653,242	534,512
Taxation and social security	93,039	96,643
Other loans payable	-	17,928
Amounts attributable to holders of preference shares	100,000	100,000
	<u>1,635,286</u>	<u>1,321,138</u>

The amounts due to holders of preference shares are made up of 2,000 redeemable 'E' shares which carry no rights to participate in the profits of the Company, but carry rights to vote in general meetings and are redeemable at the option of the holder.

Notes (continued)

11. Share capital

	Year ended 31 December 2015	Year ended 31 December 2014
	£	£
<i>Authorised, allotted and fully paid</i>		
29,883,300 Class A shares of £0.01 each	298,833	298,833
1,000 Class B shares of £0.01 each	10	10
11,575 Class C shares of £0.10 each	1,157	1,157
8,575 Class D shares of £50 each	428,750	428,750
	728,750	728,750

The Class A shares carry no voting rights but have an entitlement to receive any profits of the Company available for distribution.

The Class B shares carry voting rights however they have no entitlement to receive any profits of the Company.

The Class C and Class D shares carry no rights to participate in the profits of the Company, but carry rights to vote in the general meetings of the Company.

12. Reserves

	Profit and Loss Account	Capital Contribution Reserve
	£	£
As at 1 January 2015	(588,417)	200,000
Profit for the year	144,417	-
As at 31 December 2015	(444,000)	200,000

Notes (continued)

13. Reconciliation of movements in Shareholders' Funds

	Year ended 31 December 2015	Year ended 31 December 2014
	£	£
Profit for the financial Year	144,417	232,776
Capital Contribution	-	-
Net movement to shareholders' funds	<u>144,417</u>	<u>232,776</u>
Opening shareholders' funds	340,333	107,557
Closing shareholders' funds	<u>484,750</u>	<u>340,333</u>

14. Related party disclosures

During the year ended 31 December 2015, amounts were paid to the spouse of one of the directors in exchange for consultancy services. The amounts paid during the year by Belu Water Ltd totalled £13,350 (2014: £4,200) and as at 31 December 2015, £900 was outstanding (2014:£1,800). All services were performed on an arm's length basis.

15. Commitments under operating liabilities

As at 31 December 2015, the company had annual commitments under non-cancellable operating leases as set out below:

	2015 Land and Buildings	2014 Land and Buildings
	£	£
Operating leases which expire:		
In two to five years	<u>20,000</u>	<u>20,000</u>

Notes *(continued)*

16. Contingent liabilities

As at 31 December 2015, the Company is committed to paying £500,000 to WaterAid over the period 1 January 2016 to 31 December 2020 being a commitment of £100,000 per annum. These payments are contingent on the Company having sufficient funds to meet the liabilities as they fall due and consequently no long term liability has been recognised in these financial statements.

17. Controlling parties

The ultimate controlling party of the company is considered to be C. Hohn.