

BWT UK Limited

Directors' Report and Financial Statements  
For the year ended 31 December 2023

Registered number: 01386074



***BWT UK Limited***

***Company information***

Registered Office: BWT House  
Coronation Road  
Cressex Business Park  
High Wycombe  
Buckinghamshire  
HP12 3SU

Directors: Mr J N Wicks  
Mr S T Sperring  
Mr R D Martin  
Mr A Weissenbacher  
Mr G Speigner

Company Secretary: Mr R D Martin

Bankers: HSBC Bank plc  
1 Corn Market  
High Wycombe  
HP11 2AY

Auditors: Rouse Partners LLP  
55 Station Road  
Beaconsfield  
Buckinghamshire  
HP9 1QL

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# Strategic report

## For the year ended 31 December 2023

The principal activities of the Company are the sale and distribution of water treatment products and provision of water dispensers.

### Business Review

During the year sales were down 16% on the prior year. Although sales to UK third parties continued to grow, a significant reduction in demand from overseas sister companies for the Company's water softeners, following overstocking in the prior year, led to the reduction in sales. The change in the mix of business and reduction in the level of freight costs meant that gross margin was up at 40% (2022: 31%).

The improvement in gross margin percentage meant the Company's operating profit increased to £1,225,000 (2022: £904,000).

The working capital position of the Company remained strong with net current assets in line with the prior year.

### Principal Risks and Uncertainties

#### Price Risk

The Company is exposed to commodity price risk particularly for raw materials, fuel and freight costs. The Company monitors these costs and take corrective action when relevant.

#### Credit Risk

The Company has implemented policies that require appropriate credit checks on potential customers and ongoing review of credit levels for existing customers. These credit limits are amended when appropriate.

### Key Performance Indicators

The Company measures its performance against strategic objectives by means of key performance indicators. The main KPIs are as follows:

	2023 £000	2022 £000
EBITDA before impact of IFRS16	2,756	2,387
Free Cashflow from operating activities	1,178	697
Sales per Employee	154	184

- EBITDA (earnings before interest, taxation, depreciation and amortisation) before impact of IFRS16 increased by 15% over the prior year due to the reduction in freight costs and other raw materials together with an improved mix of business.
- Free Cashflow from operating activities increased 69% over the prior year. This was more than the increase in EBITDA due to a reduction in the level of investment in tooling in the year.
- Sales per Employee reduced 17% over the prior year due to a reduction in orders from our sister companies because of a downturn in their markets and overstocking in the prior year.

By Order of the Board



R D Martin

Secretary

26 March 2024

## **Directors' report**

### ***For the year ended 31 December 2023***

The directors present their directors' report and financial statements for the year ended 31 December 2023.

#### ***Results and Dividend***

The profit before tax for the year ended 31 December 2023 was £1,214,000 (2022: £852,000). Interim dividends of £1,100,000 were paid in the year (2022: £500,000). The directors do not recommend payment of a final dividend (2022: £nil).

#### ***Going Concern***

The company has chosen in accordance with Companies Act 2006, s.414C(11) to set out in the company's strategic report information required by the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of the financial risks faced by the company.

The Company has strong financial resources and well-established relationships with a wide distribution of customers and suppliers in all relevant geographies. As a consequence, the directors believe that the Company is well placed to successfully manage its business risks.

The Company prepares regular forecasts and manages its resources accordingly. In preparing the forecasts the Company considers different scenarios depending on the growth or decline of its different business areas.

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence and do not foresee any material uncertainties in relation to going concern. Accordingly they continue to adopt the going concern basis for preparing the annual report and accounts.

#### ***Directors***

The directors who held office during the year were as follows:

J N Wicks  
S T Sperring  
R D Martin  
A Weissenbacher  
G Speigner

#### ***Disclosure of information to auditors***

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware. Having made enquiries of fellow directors each director has taken all the steps that they are obliged to take as directors to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

By Order of the Board:



R D Martin

Secretary

26 March 2024

## **Statement of directors' responsibilities in respect of the Directors' Report and the financial statements**

The directors are responsible for preparing the Strategic Report, 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 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

# **Independent auditor's report to the members of BWT UK Limited**

## **Opinion**

We have audited the financial statements of BWT UK Limited (the 'company') for the year ended 31 December 2023 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (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 31 December 2023 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 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**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

## **Other information**

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

## ***Independent auditor's report to the members of BWT UK Limited (continued)***

### **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 directors' report.

We have nothing to report in respect of the following matters in relation to which 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 take advantage of the small companies exemption from the requirement to prepare a strategic 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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- through discussions with the directors and other management, we identified the laws and regulations applicable to the company; and
- focusing on the specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, we assessed the extent of compliance with those laws and regulations identified above through making enquiries of management and inspecting relevant correspondence.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations;

To address the risk of fraud through management bias and override of controls, we:



## ***Independent auditor's report to the members of BWT UK Limited (continued)***

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates detailed in the accounting policies were indicative of potential bias; and
- investigated the rationale behind significant or unusual bank transactions;

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims;

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

This report is made solely to the company's member 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 member, those matters we are required to state to the member 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 member, for our audit work, for this report, or for the opinions we have formed.

*Rouse Audit LLP*

**Leighton Bower (Senior Statutory Auditor)**  
**For and on behalf of Rouse Audit LLP**

**Chartered Accountants**  
**Statutory Auditor**

*26<sup>th</sup> March 2024*

55 Station Road  
Beaconsfield  
Buckinghamshire  
HP9 1QL

## Statement of Comprehensive Income

*For the year ended 31 December 2023*

	Notes	2023 £000	2022 £000
<b>Turnover</b>	3	<b>18,958</b>	22,524
Cost of sales		<b>(11,369)</b>	(15,568)
<b>Gross profit</b>		<b>7,589</b>	6,956
Selling and Distribution costs		<b>(2,866)</b>	(2,593)
Administrative costs		<b>(3,643)</b>	(3,589)
Other income		<b>145</b>	130
<b>Operating profit</b>	5	<b>1,225</b>	904
Interest income		<b>41</b>	-
Finance costs	8	<b>(52)</b>	(52)
<b>Profit on ordinary activities before taxation</b>		<b>1,214</b>	852
Tax on profit on ordinary activities	9	<b>(294)</b>	(150)
<b>Total comprehensive income for the year</b>		<b>920</b>	702

The accompanying notes on pages 13 to 26 are an integral part of these financial statements.

## Statement of Changes in Equity

*For the year ended 31 December 2023*

	Notes	Called Up Share Capital £'000	Share Premium Account £'000	Retained Earnings £'000	Total Equity £'000
<b>At 1 January 2022</b>		68	1,432	3,187	4,687
Profit for the year		-	-	702	702
<b>Total comprehensive income for the year</b>		-	-	702	702
<b>Contributions by and distributions to owners:</b>					
Dividends	10	-	-	(500)	(500)
<b>Total contributions by and distributions to owners</b>		-	-	(500)	(500)
<b>At 31 December 2022</b>		68	1,432	3,389	4,889
Profit for the year		-	-	920	920
<b>Total comprehensive income for the year</b>		-	-	920	920
<b>Contributions by and distributions to owners:</b>					
Dividends	10	-	-	(1,100)	(1,100)
<b>Total contributions by and distributions to owners</b>		-	-	(1,100)	(1,100)
<b>At 31 December 2023</b>		68	1,432	3,209	4,709

# Statement of Financial Position

at 31 December 2023

	Notes	31 December 2023 £000	31 December 2022 £000
<b>Fixed assets</b>			
Tangible assets	11	1,846	1,876
Right of use assets	12	1,366	1,635
Investments	13	-	-
		<u>3,212</u>	<u>3,511</u>
<b>Current assets</b>			
Inventories	14	2,753	3,515
Trade and other receivables	15	3,854	2,994
Cash at bank and in hand		717	1,538
		<u>7,324</u>	<u>8,047</u>
<b>Creditors: amounts falling due within one year</b>	16	(4,276)	(4,881)
Income tax payable		(103)	(23)
<b>Net current assets</b>		<u>2,945</u>	<u>3,143</u>
<b>Total assets less current liabilities</b>		<u>6,157</u>	<u>6,654</u>
<b>Creditors: amounts falling due after more than one year</b>	17	(1,011)	(1,322)
<b>Deferred tax liability</b>	9	(295)	(256)
<b>Provision for liabilities</b>	19	(142)	(187)
<b>Net assets</b>		<u>4,709</u>	<u>4,889</u>
<b>Capital and reserves</b>			
Called-up share capital	20	68	68
Share premium account		1,432	1,432
Retained earnings		3,209	3,389
<b>Total Equity</b>		<u>4,709</u>	<u>4,889</u>

The accompanying notes on pages 13 to 26 are an integral part of these financial statements.

These financial statements were approved by the board of directors on 26 March 2024 and were signed on its behalf by:



J N Wicks  
Director

Registered number: 01386074

# Notes to the financial statements

*(forming part of the financial statements)*

## **1. Authorisation of financial statements and statement of compliance with FRS 101**

BWT UK Limited (the "Company") is a company limited by shares, incorporated in England and Wales, United Kingdom, having its registered office at BWT House, Coronation Road, High Wycombe, HP12 3SU. The financial statements for the Company for the year ended 31 December 2023 were authorised for issue by the board of directors on 26 March 2024 and the balance sheet was signed on the board's behalf by J N Wicks.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101), the Financial Reporting Standard applicable in the UK, and in accordance with Companies Act 2006. The financial statements are prepared under the historical cost convention.

The Company's financial statements are presented in Sterling and all values are rounded to the nearest thousand pounds (£000) except when otherwise indicated.

The Company has taken advantage of the exemption under s401 of the Companies Act 2006 not to prepare group accounts as it is a wholly owned subsidiary of BWT Holding GmbH.

The results of BWT UK Limited are included in the consolidated financial statements of BWT Holding GmbH which are publicly available from A-5310 Mondsee, Walter-Simmer-Strasse 4.

The principal accounting policies adopted by the Company are set out in note 2.

## **2. Accounting policies**

### **2.1. Going Concern**

The Company has strong financial resources and well-established relationships with a wide distribution of customers and suppliers in all relevant geographies. As a consequence, the directors believe that the Company is well placed to successfully manage its business risks.

The Company prepares regular forecasts and manages its resources accordingly. Forecasts are prepared for the 24 month period from year end to support the going concern assumptions. In preparing the forecasts the Company considers different scenarios depending on the growth or decline of its different business areas. The key sensitivity in the latest forecast being the extent to which the bottled water business can recover.

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence and do not foresee any material uncertainties in relation to going concern. Accordingly they continue to adopt the going concern basis for preparing the annual report and accounts.

### **2.2. Basis of preparation**

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2023.

The company has applied disclosure exemptions available in the standard in the following areas:

- IFRS 7 disclosures regarding financial instruments;
- IFRS 9 disclosures regarding financial instruments;
- IFRS 15 disclosures regarding revenue from contracts with customers;
- IFRS 16 disclosures regarding leases;
- IAS 1 requirement for full comparative information on property, plant and equipment;
- IAS 1 requirement to disclose the company's objectives, policies and processes for managing capital;
- IAS 7 requirement to produce a statement of cash flows and related notes;
- IAS 8 requirement to disclose information about the impact of standards not yet effective;
- IAS 24 requirements in respect of disclosing remuneration of key management personnel and intragroup transactions; and

## ***Notes to the financial statements (continued)***

- IAS 36 requirements on some detailed disclosures regarding impairment of assets.

### ***2.3. Change in accounting policy***

#### **New standards, interpretations and amendments effective**

There were a number of narrow scope amendments to existing standards which were effective from 1 January 2023. None of these had a material impact on the Company.

### ***2.4. Judgement and key sources of estimation uncertainty***

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

#### **Inventory Provision**

The directors have made provision against all inventory based on how many months usage of each item of inventory is held. A 100% provision has been made where we hold more than 48 months of inventory, 75% where we hold more than 36 months, 50% where we hold more than 24 months and 25% where we hold more than 12 months. The provision at the year end of £480,000 (2022: £400,000) is included within the inventory value (note 14). The realizable value of slow moving inventory is uncertain due to potential changes in the market for slow moving products and therefore this could impact on future profit or loss.

#### **Customer Deposits**

The Company charges a deposit on bottles it uses to supply water to customers. The amount charged is held in the customer deposit provision until the bottle is returned. However, not all bottles are ultimately returned. The Company makes an estimate that 50% of deposits on customers not active in the last 3 months will not be payable. It is uncertain how many bottles that customers hold will be returned and how many have been lost by the customer. This could impact future profit or loss. The provision at the year end of £456,000 (2022: £470,000) is included within the trade receivables (note 15).

### ***2.5. Significant accounting policies***

#### **Foreign currency translation**

The Company's financial statements are presented in sterling, which is also the Company's functional currency.

#### ***Transactions and balances***

Transactions in foreign currencies are initially recorded in the entity's functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to the income statement.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

#### **Investments**

Investments in subsidiaries, associates and joint ventures are held at historical cost less any applicable provision for impairment.

#### **Tangible fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost comprises the aggregate amount paid and the fair value of any other consideration given to acquire the asset and includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all property, plant and equipment, other than land, on a straight-line basis over its expected useful life as follows:

## **Notes to the financial statements (continued)**

Freehold land	not depreciated
Freehold buildings	25 – 40 years
Leasehold improvements	over life of lease
Motor vehicles	4 years
Fixtures, fittings, tools and equipment	3 – 10 years

Right of use assets are depreciated on a straight-line basis over the length of the lease.

The carrying values of property, plant and equipment are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable, and are written down immediately to their recoverable amount. Useful lives and residual values are reviewed annually and where adjustments are required these are made prospectively.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the derecognition of the asset is included in the income statement in the period of derecognition.

The Company holds a property in which a proportion of this property is leased to another third party. This property is owner occupied and used by the Company for its principal activities, and an insignificant portion of this building is leased and therefore the Company acts as a lessor. This represents mixed use owner occupied property, of which an insignificant portion is held for rental in which case does not meet the criteria to be presented as an investment property. This portion of the building cannot be sold separately and therefore represents mixed use property under IAS16. The rental income on this is presented in other income and disclosed within the tangible asset notes. The building has therefore not been separated and is held at historical cost.

### **Impairment of non-financial assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount in order to determine the extent of the impairment loss. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. *Impairment losses on continuing operations are recognised in the income statement in those expense categories consistent with the function of the impaired asset.*

For assets where an impairment loss subsequently reverses, the carrying amount of the asset or cash generating unit is increased to the revised estimate of its recoverable amount, not to exceed the carrying amount that would have been determined, net of depreciation, had no impairment losses been recognised for the asset or cash generating unit in prior years. A reversal of impairment loss is recognised immediately in the income statement, unless the asset is carried at a revalued amount when it is treated as a revaluation increase.

### **Provisions for liabilities**

A provision is recognised when the Company has a legal or constructive obligation as a result of a past event; it is probable that an outflow of economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. If the effect is material, expected future cash flows are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability.

Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when recovery is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement. Where discounting is used, the increase in the provision due to unwinding the discount is recognised as a finance cost.

### **Warranty:**

The Company provides for the cost of rectification or replacement of parts on defective water purification equipment on a five year 'fit for purpose' basis. Associated labour costs are not provided for as the directors consider these to be fixed.

## ***Notes to the financial statements (continued)***

### **Leases**

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to direct the use of an identified asset for a period of time in exchange for consideration.

#### ***Company as a lessee***

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

##### ***i) Right of Use Assets***

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, the amount of any provision where contractually required to dismantle, remove or restore the lease asset and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term. Right of use assets are tested for impairment in accordance with IAS36 Impairment of Assets as disclosed in the Impairment of non-financial assets policy above.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

##### ***ii) Lease Liabilities***

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in: future lease payments arising from a change in an index or rate; the company's estimate of the amount expected to be payable under a residual value guarantee; or the company's assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

##### ***iii) Short-term leases and leases of low-value assets***

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

#### ***Company as a lessor***

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

### **Inventories**

Inventories are stated at the lower of cost, on a weighted average basis, and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition, as follows:

Raw materials and consumables – including freight and duty where applicable

Work in progress and finished goods - cost of direct materials and labour based on a normal level of activity

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal. Provision is made for obsolete, slow-moving or defective items where appropriate.

### **Trade and other receivables**

Trade receivables, which generally have 30-90 day terms, are recognised and carried at the lower of their original invoiced value and recoverable amount. Where the time value of money is material, receivables are carried at amortised cost.



## ***Notes to the financial statements (continued)***

Impairment provisions for current trade debtors are recognised based on the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. During this process the probability of the non-payment of the trade debtors is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade debtors. For trade debtors, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within administrative costs in the statement of comprehensive income. On confirmation that the trade debtor will not be collectable, the gross carrying value of the asset is written off against the associated provision.

### **Cash at bank and in hand**

Cash and short term deposits in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity of three months or less.

### **Income taxes**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

The carrying amount of deferred tax assets is reviewed at each balance sheet date. Deferred tax assets and liabilities are offset, only if a legally enforcement right exists to set off current tax assets against current tax liabilities, the Deferred taxes relate to the same taxation authority and that authority permits the Company to make a single net payment.

Income tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, income tax is charged or credited directly to equity if it relates to items that are credited or charged directly to equity. Otherwise income tax is recognised in the income statement.

### **Pensions and other post-employment benefits**

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The amounts charged to the income statement represent the contributions payable to the scheme in respect of the accounting period.

### **Revenue recognition**

#### *Recognition*

The Company earns revenue from the sale and distribution of bottled water and the sale of water purification equipment and related services. This revenue is recognised in the accounting period when control of the product has been transferred, at an amount that reflects the consideration to which the entity expects to be entitled in exchange for fulfilling its performance obligations to customers.

#### *Fee arrangements*

Revenue is recognised from the sale of products when control is transferred and performance obligations are met, usually on delivery of product to customer. Terms of the fee arrangement are detailed in the terms and conditions attached to the invoice.

#### *Performance obligations*

Revenue from the sale of goods is recognised when control of the products has transferred, being when the products are delivered to the customer. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the trade

## Notes to the financial statements (continued)

customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

The Company rents water dispensers under operating lease agreements with a range of available lease terms. Revenue is recognised on a straight line basis over the lease term as the provision of the water dispenser is for the whole of the lease term and any maintenance is spread relatively evenly across the whole population of the water dispensers.

### *Allocating amounts to performance obligations*

For most contracts, there is a fixed unit price for each product sold, with reductions given for bulk orders placed at a specific time. Therefore, there is no judgement involved in allocating the contract price to each unit ordered in such contracts (it is the total contract price divided by the number of units ordered). Where a customer orders more than one product line, the Company is able to determine the split of the total contract price between each product line by reference to each product's standalone selling prices (all product lines are capable of being, and are, sold separately).

### 3. Turnover

Turnover recognised in the income statement is analysed as follows:

	2023 £000	2022 £000
Sale of goods	16,030	19,827
Rendering of services	2,928	2,697
<b>Total turnover</b>	<b>18,958</b>	<b>22,524</b>

The turnover for the year is attributable to two activities, the sale and distribution of bottled water and the sale of water purification equipment and related services. Analysis of turnover by country of destination for these two activities is as follows:

	2023 £000	2022 £000
<b>a) Bottled water</b>		
United Kingdom	4,467	4,034
<b>b) Water purification equipment and related services</b>		
United Kingdom	9,501	8,576
European Union	4,385	9,495
Rest of World	605	419
	<b>14,491</b>	<b>18,490</b>
<b>Total turnover</b>	<b>18,958</b>	<b>22,524</b>

### 4. Revenue from contracts with customers

#### *Contract balances*

	Contract Liabilities 2023 £000	Contract Liabilities 2022 £000
Balance as at 1 January	995	968
Balance as at 31 December	1,012	995

In addition, the following information is provided for contract assets and liabilities:

Amounts included in contract liabilities that were recognised as revenue during the period	532	531
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## Notes to the financial statements (continued)

Contract liabilities are included within “creditors” on the face of the balance sheet. They arise from the Company’s bottled water division, which enters into contracts to rent water dispensers to customers. Rentals are often invoiced in advance and customers charged deposits for bottles they are delivered.

No amount has been impaired in 2023 or 2022.

### 5. Operating profit

This is stated after charging / (crediting):

	31 Dec 2023 £000	31 Dec 2022 £000
Depreciation of tangible fixed assets	414	398
Depreciation of right of use assets	564	521
(Gain) / Loss on disposal of fixed assets	(98)	-
Amortisation of intangible assets	-	-
Net foreign currency exchange differences	59	149
Leases expense - property	32	29
Leases expense - equipment	71	54
Cost of inventories recognised as an expense (included in cost of sales)	8,246	11,565
Write-down of inventories to net realisable value	80	(5)

Of the equipment lease expenses £22,000 (2022: £20,000), relates to low value assets and £49,000 (2022: £34,000) relates to short term leases. The property lease expenses relate to short term leases.

### 6. Auditors’ remuneration

Amounts receivable by the auditors and their associates in respect of:	31 December 2023 £000	31 December 2022 £000
UK statutory audit	34	35
Other services related to taxation	-	-
	<u>34</u>	<u>35</u>

### 7. Staff costs and directors’ remuneration

#### a) Staff Costs

	31 December 2023 £000	31 December 2022 £000
Wages and salaries	4,040	3,824
Social security costs	432	407
Other pension costs (note 23)	160	150
	<u>4,632</u>	<u>4,381</u>

The average monthly number of employees (including directors) analysed by category during the year was as follows:

	31 December 2023	31 December 2022
Production	36	40
Sales and service	74	70
Administration	13	14
	<u>123</u>	<u>124</u>

## Notes to the financial statements (continued)

### b) Directors' remuneration

Included in the staff costs above are the following amounts for directors' remuneration:

	31 December 2023 £000	31 December 2022 £000
Directors' emoluments	420	424
Contributions to defined contribution pension scheme	21	26
	<u>441</u>	<u>450</u>

The number of directors to whom retirement benefits are accruing under personal pension plans to which the Company has contributed is 3 (31 December 2022: 3).

The above amounts for directors' emoluments include the following in respect of the highest paid director:

	31 December 2023 £000	31 December 2022 £000
Emoluments	196	203
Contributions to defined contribution pension scheme	10	9
	<u>206</u>	<u>212</u>

A Weissenbacher and G Speigner provide services to this Company and a number of other group companies. The salary of these Directors is paid by other companies within the group and no recharge is made to the Company in this regard.

### 8. Finance Costs

	31 December 2023 £000	31 December 2022 £000
Finance expense on leases	52	49
Payable to group undertakings	-	3
	<u>52</u>	<u>52</u>

### 9. Taxation

#### a) Tax charged in the income statement:

	31 December 2023 £000	31 December 2022 £000
<i>Current income tax:</i>		
Current tax on income for the period	256	35
Adjustment in respect of prior periods	(1)	(1)
Total current income tax	<u>255</u>	<u>34</u>
<i>Deferred tax:</i>		
Capital allowances in excess of depreciation	42	98
Other timing differences	(3)	(2)
Change in deferred tax rate	2	31
Adjustment in respect of prior periods	(2)	(11)
Total deferred tax	<u>39</u>	<u>116</u>
Tax expense in the income statement	<u>294</u>	<u>150</u>

#### b) Reconciliation of the total tax charge

## Notes to the financial statements (continued)

The current tax charge for the period is higher (2022: lower) than the standard rate of corporation tax of 23.5% (2022: 19%). The differences are explained below:

	31 December 2023 £000	31 December 2022 £000
Profit on ordinary activities before taxation	1,214	852
Current tax at 23.5% (2022: 19%)	286	162
effects of:		
Other permanent differences	1	6
Non-Qualifying depreciation	10	8
Restatement of deferred tax	(2)	(25)
Adjustment in respect of prior periods	(1)	(1)
Total tax expense reported in the income statement	294	150

### c) Provision for deferred tax

	31 December 2023 £000	31 December 2022 £000
Provision at start of period	(256)	(142)
(Debit) / Credit to the income statement	(39)	(114)
Undiscounted deferred tax liability at 31 December	(295)	(256)

Deferred taxation comprises:

	31 December 2023 £000	31 December 2022 £000
Accelerated capital allowances	(279)	(237)
Other temporary differences	(16)	(19)
Undiscounted deferred tax liability at 31 December	(295)	(256)

The Company has tax capital losses of £3,050,947 carried forward as at 31 December 2023 (2022: £3,050,947).

A deferred tax asset has not been recognised on these losses as the directors are uncertain when relevant capital profits will arise against which the losses can be utilised.

### 10. Dividends paid

The Company paid dividends in the 2023 financial year of £1,100,000 (2022: £500,000). These corresponded to £16.13 per share (2022: £7.33 per share).

## Notes to the financial statements (continued)

### 11. Tangible assets

	Freehold land and buildings £000	Short Leasehold improvements £000	Motor vehicles £000	Fixtures, fittings, tools and equipment £000	Total £000
<b>Cost</b>					
At 1 January 2023	1,332	433	41	4,251	6,057
Additions	11	-	6	378	395
Disposals	-	-	(23)	(436)	(459)
At 31 December 2023	1,343	433	24	4,193	5,993
<b>Depreciation</b>					
At 1 January 2023	860	383	28	2,910	4,181
Charge for period	43	7	6	358	414
Disposals	-	-	(23)	(425)	(448)
At 31 December 2023	903	390	11	2,843	4,147
<b>Net book value</b>					
At 31 December 2023	440	43	13	1,350	1,846
At 31 December 2022	472	50	13	1,341	1,876

The Company acts as a lessor on an insignificant portion of an owner occupied building. This building represents a mixed use property and is not classified as an investment property. The value of rentals earned on this during the year are £125,000 (2022 - £100,000). The Company has exercised a break clause on this lease effective from April 2024.

### 12. Right of Use assets

	Leasehold land and buildings £000	Motor Vehicles £000	Total £000
<b>Cost</b>			
At 1 January 2023	2,236	818	3,054
Additions	-	286	286
Modification	-	192	192
Disposals	-	(287)	(287)
At 31 December 2023	2,236	1,009	3,245
<b>Depreciation</b>			
At 1 January 2023	1,095	324	1,419
Charge for period	278	286	564
Modification	-	183	183
Disposals	-	(287)	(287)
At 31 December 2023	1,373	506	1,879
<b>Net book value</b>			
At 31 December 2023	863	503	1,366
At 31 December 2022	1,141	494	1,635

### 13. Fixed asset investments

	31 December 2023 £000	31 December 2022 £000
Subsidiary undertakings	-	-

The companies in which the Company's interest is more than 20% are as follows:

## Notes to the financial statements (continued)

Subsidiary undertaking	Country of incorporation	Principal activity	Class of shares	Percentage of shares held
BWL (Racing) Invest Limited	England and Wales	Non-trading	Ordinary	100%
Aqua-Dial Limited	England and Wales	Non-trading	Ordinary	100%
Liff Holdings Limited	England and Wales	Non-trading	Ordinary	100%
BWT Racing Limited	England and Wales	Non-trading	Ordinary	100%

BWT Racing Limited is a 100% subsidiary of BWL (Racing) Invest Limited.

The registered office for each of the companies listed above is:

BWT House  
Coronation Road  
Cressex Business Park  
High Wycombe  
Buckinghamshire  
HP12 3SU

### Cost

At 1 January 2023 and 31 December 2023

Shares in group  
undertakings  
£000

8,209

### Impairment

At 1 January 2023 and 31 December 2023

8,209

### Net book value

At 1 January 2023 and 31 December 2023

-

## 14. Inventories

	31 December 2023 £000	31 December 2022 £000
Raw materials	2,016	2,726
Work in progress	16	56
Finished goods and goods for resale	721	733
	<b>2,753</b>	<b>3,515</b>

The inventories are shown net of a provision for slow moving stock of £480,000 (2022: £400,000).

## 15. Trade and other receivables

	31 December 2023 £000	31 December 2022 £000
Amounts falling due within one year:		
Trade receivables	2,216	1,732
Amounts owed by group undertakings	1,389	980
Prepayments and accrued income	249	282
	<b>3,854</b>	<b>2,994</b>

The amounts owed by group undertakings includes £1,300,000 on which interest is charged at 5%. The amount is repayable on demand. The remainder of the balance is non-interest bearing and is normally settled on 30 day terms.

## Notes to the financial statements (continued)

### 16. Creditors: amounts falling due within one year

	31 December 2023 £000	31 December 2022 £000
Trade creditors	1,664	2,825
Amounts owed to group undertakings	12	15
Other taxes and social security	401	144
Accruals	654	422
Contract liabilities	1,012	995
Lease liabilities	533	480
	<b>4,277</b>	<b>4,881</b>

The amounts owed by group undertakings are non-interest bearing and are normally settled on 30 day terms.

### 17. Creditors: amounts falling after more than one year

	31 December 2023 £000	31 December 2022 £000
Lease liabilities	<b>1,011</b>	<b>1,322</b>

### 18. Leases

The Company has lease contracts for various items of property and vehicles used in its operations. Leases of property generally have lease terms of 10 years, while motor vehicles and other equipment generally have lease terms between 3 and 5 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

The Company also has certain leases of machinery with lease terms of 12 months or less and leases of office equipment with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Leasehold Property £000	Motor Vehicles £000	Total £000
As at 1 January 2023	1,141	494	1,635
Additions	-	286	286
Modification	-	9	9
Depreciation Expense	(278)	(286)	(564)
<b>At 31 December 2023</b>	<b>863</b>	<b>503</b>	<b>1,366</b>

Set out below are the carrying amounts of lease liabilities (included obligations under finance leases) and the cashflow movements during the period:

	£000
As at 1 January 2023	1,802
Additions	286
Accretion of interest	52
Payments	(597)
<b>At 31 December 2023</b>	<b>1,543</b>



## Notes to the financial statements (continued)

These are included in:

Creditors: amounts falling due within one year (note 16)	532
Creditors: amounts falling due after more than one year (note 17)	1,011
	<b>1,543</b>

The table below summarises the maturity profile of the Company's lease liabilities based on gross contractual undiscounted cashflows:

	£000
not later than 1 year	552
after 1 year but not more than 5 years	1,062
after five years	-
<b>Total lease liabilities (undiscounted)</b>	<b>1,614</b>
Impact of finance expenses	(71)
<b>As at 31 December 2023</b>	<b>1,543</b>

*The following are the amounts recognised in profit or loss:*

	£000
Depreciation expense of right-of-use assets	564
Interest expense on lease liabilities	52
Expense relating to short term liabilities (included in cost of sales)	9
Expense relating to short term liabilities (included in selling and distribution expenses)	69
Expense relating to short term liabilities (included in administrative expenses)	3
Expense relating to leases of low-value assets (included in cost of sales)	7
Expense relating to leases of low-value assets (included in selling and distribution expenses)	4
Expense relating to leases of low-value assets (included in administrative expenses)	12
<b>Total amount recognised in profit or loss</b>	<b>720</b>

Future minimum lease payments due under low value leases as at 31 December 2023 are £70,000 (2022: £44,000) and under short term leases £1,000 (2022: £1,000).

### 19. Provision for liabilities

	Insurance provision £000	Warranty provision £000	Total £000
Liability at 1 January 2023	86	101	187
Provided in the year	-	-	-
Utilised in the year	(38)	(7)	(45)
<b>Liability at 31 December 2023</b>	<b>48</b>	<b>94</b>	<b>142</b>

A provision of £94,000 (2022: £101,000) has been recognised for estimated future warranty claims on products sold during the last financial year.

A provision of £48,000 (2022: £86,000) has been recognised for estimated costs arising from current claims, being the excess liability the Company pays as required by its product liability insurance.

### 20. Financial Guarantee

The Company has entered into standby letters of credit of £40,000 with HSBC Bank Plc to facilitate the import of goods. These letters of credit provide payment security to HMRC for customs duty payable.

## **Notes to the financial statements (continued)**

### **21. Called-up share capital**

	<b>31 December 2023</b>	<b>31 December 2022</b>
	<b>£</b>	<b>£</b>
<i>Allotted, called-up and fully paid</i>		
Equity: 68,184 ordinary shares of £1 each	<b>68,184</b>	<b>68,184</b>

### **22. Reserves**

The share premium account represents consideration received for shares issued above their nominal value net of transaction costs.

The profit and loss reserves represent profit and loss net of distribution to owners.

### **23. Pension Scheme**

The Company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the Company to the scheme and amounted to £160,000 (2022: £149,000).

The Company had an outstanding liability of £28,000 in respect of Company and employee contributions to be paid into the scheme at the financial year end (2022: £27,000).

### **24. Ultimate parent company**

The immediate holding company is BWT Holding GmbH, incorporated in Austria. The ultimate controlling company is FIBA Beteiligungs und Anlage GmbH, a company incorporated in Austria. The smallest and largest group in which the results of the Company are consolidated is that headed by BWT Holding GmbH. Copies of the financial statements of this group are available from A-5310 Mondsee, Walter-Simmer-Strasse 4.