

# **Natural Water Limited**

## **Report and Financial Statements**

31 December 2002

52149165



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COMPANIES HOUSE 30/01/04

**Registered No. SC149165**

**Directors**

S E Allen (resigned 27 January 2003)  
K D Schickli (resigned 27 January 2003)  
R G Kitley  
R W Stephens (appointed 27 January 2003)

**Secretary**

Kristine Harvey

**Auditors**

Ernst & Young LLP  
George House  
50 George Square  
Glasgow  
G2 1RR

**Bankers**

The Royal Bank of Scotland plc  
9 Clifton Place  
Glasgow  
G3 7JU

**Solicitors**

Dickinson Dees  
St Ann's Square  
112 Quayside  
Newcastle-Upon-Tyne  
Tyne & Wear  
NE99 1SB

**Registered Office**

3 Livingstone Boulevard  
Hamilton International Technology Park  
Blantyre  
G72 0BP

## Directors' Report

The directors present their report and financial statements for the year ended 31 December 2002.

### Results and dividends

The loss for the year, after taxation, amounted to £37,000 (2001: profit £120,000). The directors do not recommend the payment of a dividend.

### Principal activity, review of the business and future developments

The principal activity of the company was that of supplying spring water. The company has now ceased to trade.

### Events since the balance sheet date

On 27 January 2003, Nature Springs Water Company Limited, parent company of Natural Water Limited, was acquired by Groupe Danone, a company registered in France.

### Directors and their interests

The directors at 31 December 2002, none of whom had any interest in the share capital of the company at any time during the year, were as follows:

|              |                             |
|--------------|-----------------------------|
| S E Allen    | (resigned 27 January 2003)  |
| K D Schickli | (resigned 27 January 2003)  |
| R G Kitley   |                             |
| R W Stephens | (appointed 27 January 2003) |

### Auditors

A resolution to appoint PricewaterhouseCoopers as the company's auditor will be put to the forthcoming Annual General Meeting.

On behalf of the Board



Robert Kitley  
Director

23 January 2004

## **Statement of Directors' Responsibilities in Respect of the Financial Statements**

Company law requires the directors to prepare financial statements for each financial year which 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 those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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 Auditors' Report**

### **to the members of Natural Water Limited**

We have audited the company's financial statements for the year ended 31 December 2002 which comprise Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet and the related notes 1 to 15. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors' 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 described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

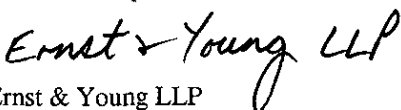
#### **Basis of audit opinion**

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

#### **Opinion**

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 December 2002 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young LLP  
Registered Auditor  
Glasgow

23 January 2004

## Profit and Loss Account

for the year ended 31 December 2002

|   | <i>Note</i> | <i>2002</i><br><i>£000</i> | <i>2001</i><br><i>£000</i> |
|---|-------------|----------------------------|----------------------------|
| <b>Turnover</b>   | 2           | -                          | 392                        |
| Cost of sales   |             | 3                          | (62)                       |
| <b>Gross profit</b>   |             | <u>3</u>                   | <u>330</u>                 |
| Administrative expenses                                     |             | (51)                       | (157)                      |
| <b>(Loss)/profit on ordinary activities before taxation</b> | 3           | <u>(48)</u>                | <u>173</u>                 |
| Taxation  | 5           | (11)                       | 53                         |
| <b>(Loss)/profit for the financial year</b>                 | 11          | <u>(37)</u>                | <u>120</u>                 |

## Statement of Total Recognised Gains and Losses

for the year ended 31 December 2002

There are no recognised gains or losses other than the loss of £37,000 in the year ended 31 December 2002 (2001: profit £120,000).

# Balance Sheet

at 31 December 2002

|   | Note | 2002<br>£000 | 2001<br>£000 |
|---|------|--------------|--------------|
| <b>Fixed assets</b>                                   |      |              |              |
| Tangible assets                                       | 6    | -            | 51           |
| <b>Current assets</b>                                 |      |              |              |
| Debtors   | 7    | 618          | 751          |
|   |      | 618          | 751          |
| <b>Creditors: amounts falling due within one year</b> | 8    | 1            | 136          |
| <b>Net current assets</b>                             |      | 617          | 615          |
| <b>Total assets less current liabilities</b>          |      | 617          | 666          |
| <b>Provisions for liabilities and charges</b>         | 9    | -            | 12           |
|   |      | 617          | 654          |
| <b>Capital and reserves</b>                           |      |              |              |
| Called up share capital                               | 10   | 25           | 25           |
| Profit and loss account                               | 11   | 592          | 629          |
|   |      | 617          | 654          |
| Shareholders' funds are attributable to:              |      |              |              |
| Equity interests                                      |      | 592          | 629          |
| Non-equity interests                                  |      | 25           | 25           |
|   |      | 617          | 654          |



Robert Kitley  
Director

23 January 2004

# Notes to the Financial Statements

at 31 December 2002

## 1. Accounting policies

### *Basis of accounting*

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

### *Depreciation*

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value evenly over their estimated useful lives as follows:

|                          |   |               |
|--------------------------|---|---------------|
| Leasehold property       | - | term of lease |
| Plant and machinery      | - | 10 years      |
| Improvements to property | - | term of lease |
| Fixtures and fittings    | - | 10 years      |

### *Leasing commitments*

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

### *Cash flow statement*

The company has taken advantage of the exemption from preparing a cash flow statement conferred by FRS 1 (Revised) on the grounds that it is a wholly owned subsidiary of a parent undertaking which produces publicly available group financial statements.

## 2. Turnover

Turnover, which is stated net of value added tax, represents the amount derived from the provision of goods and services which fall within the company's ordinary continuing activities in one market, the United Kingdom.

## 3. Operating profit

|  | 2002<br>£000 | 2001<br>£000 |
|--|--------------|--------------|
| This is stated after charging:               |              |              |
| Auditors' remuneration                       | -            | 1            |
| Depreciation of owned fixed assets           | 51           | 11           |
| Operating lease rentals - land and buildings | -            | 7            |

## 4. Staff costs

|                       | 2002<br>£000 | 2001<br>£000 |
|-----------------------|--------------|--------------|
| Wages and salaries    | -            | 42           |
| Social security costs | -            | 5            |
|                       | -            | 47           |



# Notes to the Financial Statements

at 31 December 2002

## 4. Staff costs (continued)

The monthly average number of employees during the year was as follows:

|                | 2002<br>No. | 2001<br>No. |
|----------------|-------------|-------------|
| Administration | -           | 3           |

## 5. Taxation

### (a) Tax on (loss)/profit on ordinary activities

|                    | 2002<br>£000 | 2001<br>£000 |
|--------------------|--------------|--------------|
| UK corporation tax | 1            | 41           |
| Deferred taxation  | (12)         | 12           |
|                    | (11)         | 53           |

### (b) Factors affecting current tax charge

The tax assessed on the (loss)/profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 30% (2001: 30%)

The differences are reconciled below:

|  | 2002<br>£000 | 2001<br>£000 |
|--|--------------|--------------|
| (Loss)/profit on ordinary activities before tax  | (48)         | 173          |
| (Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2001: 30%) | (14)         | 52           |
| Disallowed expenses  | 3            | -            |
| Depreciation in excess of capital allowances   | 12           | (10)         |
| Difference in tax rates on losses carried back   | -            | (1)          |
|  | 1            | 41           |

## Notes to the Financial Statements

at 31 December 2002

### 6. Tangible fixed assets

|  | <i>Improvements<br/>to property<br/>£000</i> | <i>Plant<br/>and<br/>machinery<br/>£000</i> | <i>Fixtures<br/>and<br/>fittings<br/>£000</i> | <i>Leasehold<br/>property<br/>£000</i> | <i>Total<br/>£000</i> |
|--|--|---|---|--|-----------------------|
| Cost:                                  |  |   |   |  |                       |
| At 1 January 2002 and 31 December 2002 | 7  | 98  | 8   | 11                                     | 124                   |
| Depreciation:                          |  |   |   |  |                       |
| At 1 January 2002                      | 2  | 61  | 5   | 5                                      | 73                    |
| Charge for the year                    | 5  | 37  | 3   | 6                                      | 51                    |
| At 31 December 2002                    | 7  | 98  | 8   | 11                                     | 124                   |
| Net book value:                        |  |   |   |  |                       |
| At 31 December 2002                    | -  | -   | -   | -                                      | -                     |
| At 1 January 2002                      | 5  | 37  | 3   | 6                                      | 51                    |

In addition to the above tangible fixed assets, the company has an intangible fixed asset in the form of a lease over the site and the spring which has 10 years to run, with an option to extend it for a further 20 years. The company also owns 3 boreholes, each of which has an abundant supply of water.

### 7. Debtors

|                                   | <i>2002<br/>£000</i> | <i>2001<br/>£000</i> |
|-----------------------------------|----------------------|----------------------|
| Amounts owed by group undertaking | 618                  | 750                  |
| Prepayments and accrued income    | -                    | 1                    |
|                                   | <u>618</u>           | <u>751</u>           |

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

|                              | <i>2002<br/>£000</i> | <i>2001<br/>£000</i> |
|------------------------------|----------------------|----------------------|
| Trade creditors              | -                    | 4                    |
| Accruals and deferred income | -                    | 91                   |
| Corporate tax creditor       | 1                    | 41                   |
|                              | <u>1</u>             | <u>136</u>           |

# Notes to the Financial Statements

at 31 December 2002

## 9. Provisions for liabilities and charges

Deferred taxation provided in the financial statements is as follows:

|   | 2002<br>£000 | 2001<br>£000 |
|---|--------------|--------------|
| Capital allowances in advance of depreciation | -            | 12           |

## 10. Called up share capital

|                                    | No.    | 2002<br>£000 | No.    | 2001<br>£000 |
|------------------------------------|--------|--------------|--------|--------------|
| Authorised:                        |        |              |        |              |
| Ordinary shares of £1 each         | 100    | -            | 100    | -            |
| Preference shares of £1 each       | 25,000 | 25           | 25,000 | 25           |
|                                    |        | <u>25</u>    |        | <u>25</u>    |
| Allotted called up and fully paid: |        |              |        |              |
| Ordinary shares of £1 each         | 90     | -            | 90     | -            |
| Preference shares of £1 each       | 25,000 | 25           | 25,000 | 25           |
|                                    |        | <u>25</u>    |        | <u>25</u>    |

## 11. Reconciliation of shareholders' funds and movements on reserves

|                     | Share<br>capital<br>£000 | Profit<br>and loss<br>account<br>£000 | Total<br>£000 |
|---------------------|--------------------------|---------------------------------------|---------------|
| At 1 January 2001   | 25                       | 509                                   | 534           |
| Profit for the year | -                        | 120                                   | 120           |
| At 31 December 2001 | 25                       | 629                                   | 654           |
| Loss for the year   | -                        | (37)                                  | (37)          |
| At 31 December 2002 | 25                       | 592                                   | 617           |

## 12. Other financial commitments

At 31 December 2002 the company had annual commitments under non-cancellable operating leases for land and buildings as set out below:

|                                | 2002<br>£000 | 2001<br>£000 |
|--------------------------------|--------------|--------------|
| Operating leases which expire: |              |              |
| In over five years             | -            | 7            |

## Notes to the Financial Statements

at 31 December 2002

### 13. Related party transactions

The company has taken advantage of the exemption in FRS 8 from disclosing transactions with related parties that are members of Sparkling Spring Water Group Limited group of companies.

### 14. Ultimate parent undertaking

The ultimate parent undertaking and controlling party at the balance sheet date is Sparkling Spring Water Group Limited, a company incorporated in Canada. Financial statements for this entity are available from 19 Fielding Avenue, Dartmouth, Nova Scotia, Canada, B3B 1C9.

The parent undertaking of the smallest and largest group of which the company is a member and for which group financial statements are prepared are Nature Springs Water Company Limited and Sparkling Spring Water Group Limited respectively. Financial statements for Nature Springs Water Company Limited are available from its registered office: Unit 5, Alexandra Way, Ashchurch Business Centre, Tewkesbury, Gloucestershire, GL20 8NB.

### 15. Event since the balance sheet date

On 27 January 2003, Nature Springs Water Company Limited, parent company of Natural Water Limited, was acquired by Groupe Danone, a company registered in France.