

Pure Choice Watercoolers Limited
Annual report and financial statements
for the year ended 31 December 2003

Registered Number 02542607



Pure Choice Watercoolers Limited

Annual report and financial statements for the year ended 31 December 2003

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Pure Choice Watercoolers Limited

Directors and advisers for the year ended 31 December 2003

Directors

A J Y Guttinger	(appointed 23 July 2003)
G Cunia	(appointed 29 January 2004)
M Hecker	(appointed 29 January 2004; resigned 24 April 2004)
R Azera	(resigned 23 July 2003)
T J Lamb	(resigned 29 January 2004)
J J M M Mugniery	(resigned 31 December 2003)
P L Jacob	(resigned 29 January 2004)

Secretary

B L P Secretaries	(appointed 20 May 2004)
Dickinson Dees	(resigned 20 May 2004)

Registered Office

Audio House
Progress Road
Sands Industrial Estate
High Wycombe
HP12 4JD

Auditors

PricewaterhouseCoopers LLP
Kintyre House
209 West George Street
Glasgow
G2 2LW

Solicitors

Semple House
130 St Vincent Street
G2 5HF

Bankers

HSBC
COLCO
8 Canada Square
London
E14 5XL

Pure Choice Watercoolers Limited

Directors' report for the year ended 31 December 2003

The directors present their report and financial statements for the year ended 31 December 2003.

Results and dividends

The profit for the year, after taxation, amounted to £922,000 (2002: loss £531,000). The directors do not recommend the payment of a dividend.

Principal activity and review of the business

The principal activity of the company during the year was that of an investment holding company.

On 1 January 2003, the trade and net assets of the company were acquired by Wellbrook Watercoolers Limited at market value for a consideration of £1.5 million, satisfied by inter group funding.

On 1 September 2003 the company was acquired by The Danone Springs of Eden BV.

Post balance sheet events

On 31 December 2004, the company acquired the remaining issued share capital of Premier Pure Water Limited for a consideration of £3.5 million, increasing its shareholding in Premier Pure Water Limited to 100%.

On 31 December 2004, the trade and selected assets of the company were acquired by Eden Springs UK Limited (formerly Chatead'eau UK Limited).

Directors and their interests

The directors of the company throughout the period to 31 December 2003 are listed on page 1. No director had any interest in the share capital of the company at 31 December 2003.

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that 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. The directors are required to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2003 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that 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 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.

Pure Choice Watercoolers Limited

Auditors

During the year, Grant Thornton resigned as auditors and the directors appointed PricewaterhouseCoopers LLP to fill the casual vacancy. PricewaterhouseCoopers LLP have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

By order of the Board



G Cunia
Director

2nd June 2005

Pure Choice Watercoolers Limited

Independent auditors' report to the members of Pure Choice Watercoolers Limited

We have audited the financial statements on pages 5 to 17, which comprise the profit and loss account, the balance sheet and the related notes.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 is not disclosed.

Basis of audit opinion

We conducted our audit in accordance with 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 the affairs of the company at 31 December 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

Glasgow

2 June 2005

Pure Choice Watercoolers Limited

Profit and loss account for the year ended 31 December 2003

	Note	2003 £'000	2002 £'000
Turnover	1	-	415
Cost of sales		-	(311)
Gross profit		-	104
Net operating expenses		420	(224)
Operating profit/(loss)	2	420	(120)
Profit on transfer of assets and liabilities	6	1,123	-
Interest payable and similar charges	7	(610)	(422)
Profit on ordinary activities before taxation		933	(542)
Tax on profit on ordinary activities	8	(11)	11
Profit/(loss) for the financial period		922	(531)

All items dealt with in arriving at operating profit above relate to discontinued operations.

The company has no recognised gains and losses other than the profit 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 retained profit for the year stated above and their historical cost equivalents.

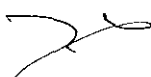
Pure Choice Watercoolers Limited

Balance sheet as at 31 December 2003

	Note	2003 £'000	2002 £'000
Fixed assets			
Intangible assets	9	-	360
Tangible assets	10	-	120
Investments	11	10,574	12,044
		10,574	12,524
Current assets			
Stock	12	-	3
Debtors	13	2,969	116
Cash at bank and in hand		-	8
		2,969	127
Creditors - amounts falling due within one year	14	-	(635)
Net current assets/(liabilities)		2,969	(508)
Total assets less current liabilities		13,543	12,016
Creditors - amounts falling due after more than one year	15	(13,223)	(12,618)
Net assets/(liabilities)		320	(602)
Capital and reserves			
Called up share capital	16	-	-
Profit and loss account	17	320	(602)
Equity shareholders' funds	18	320	(602)

At 31 December 2003 and 2002, the called up share capital of the company was £100.

The financial statements on pages 5 to 17 were approved by the board of directors on 2nd June 2005 and were signed on its behalf by:


G Cunia
Director

Pure Choice Watercoolers Limited

Accounting policies

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

Basis of preparation

The financial statements have been prepared under the historical cost convention. 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.

Consolidation

The company itself is a subsidiary undertaking of an EU parent. The company has therefore taken advantages of the exemption provided by Section 228 of the Companies Act 1985 not to prepare group financial statements. The company and its subsidiary undertaking are included in the group financial statements of The Danone Springs of Eden BV.

Fixed assets

Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual value, on a straight line basis over their estimated economic lives. The estimated economic lives used for this purpose are:

Plant, machinery and equipment	5 years
Motor vehicles	4 years
Fixtures and fittings	3 years

Leases

Tangible fixed assets acquired under finance leases and hire purchase contracts are capitalised at the estimated fair value at the date of inception of each lease or contract. The total finance charges are allocated over the year of the lease in such a way as to give a reasonably constant charge on the outstanding liability.

Rentals paid under operating leases are charged to the profit and loss account as incurred.

Deferred income

Deferred income represents cooler lease receipts received in advance. These amounts are recognised as revenue in the year to which the lease relates.

Customer deposits

Deposits received on bottles and coolers are classified as current liabilities as they may be required to be repaid within one year.

Taxation

Current and deferred taxation is based on the profits for the year including all taxation liabilities accruing to the date of the financial statements. Full provision is made on a non discounted basis for deferred taxation liabilities arising from differences. Deferred tax assets are recognised to the extent that they are regarded as recoverable.

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Pensions

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme. The scheme is a group personal pension scheme which is administered by trustees in a fund independent from those of the company.

Fixed assets investments

Investments are included at the lower of cost or valuation less, where appropriate, amounts written off or provided. The value of investments is reviewed annually by the directors and provisions made where it is considered that there has been a permanent diminution in value.

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Notes to the financial statements for the year ended 31 December 2003

1 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.

2 Operating profit/(loss)

	2003 £'000	2002 £'000
Operating profit is stated after charging		
Depreciation of tangible fixed assets		
- owned assets	-	33
- under finance leases	-	7
Auditors remuneration		
- audit services	4	14
Amortisation of goodwill	-	19

3 Directors' emoluments

The directors of the company are remunerated by other group companies and the emoluments are appropriately disclosed within the financial statements of those companies.

4 Employee costs

	2003 £'000	2002 £'000
Wages and salaries	-	161
Social security costs	-	12
Other pension costs	-	3
Staff costs	-	176

Pure Choice Watercoolers Limited

5 Employee information

The average monthly number of persons (including executive directors) employed by the company during the year was:

By activity	2003	2002
Selling and distribution	-	5
Administration	-	5
	-	10

6 Exceptional items

	2003 £'000	2002 £'000
Profit on transfer of assets and liabilities	1,123	-

At 1 January 2003, a restructuring exercise took place which resulted in assets and liabilities of Pure Choice Watercoolers Limited being transferred at market value to Wellbrook Watercoolers Limited, another group company. Profit on the transfer of assets and liabilities totalled £1,123,000.

7 Interest payable and similar charges

	2003 £'000	2002 £'000
Finance lease and hire purchase contracts	-	1
Interest due to group undertakings	610	421
	610	422

Pure Choice Watercoolers Limited

8 Tax on profit on ordinary activities

	2003 £'000	2002 £'000
Taxation on the profit for the year		
UK corporation tax at 30% (2002: 30%)	-	(11)
Deferred tax	-	-
Prior year adjustment for under/(over) provision	11	-
	11	(11)

The tax assessed on the profit on ordinary activities is lower than the standard rate of corporation tax in the UK of 30% (2002: 30%). The differences are explained below:

	2003 £'000	2002 £'000
Profit on ordinary activities before tax	933	(542)
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2002: 30%)	280	(162)
Disallowed expenses and non taxable income	(484)	14
Depreciation in excess of capital allowances	150	6
Group relief	54	-
Unrelieved trading losses carried forward	-	131
Adjustments in respect of previous periods	11	-
Current tax charge for the period	11	(11)

Pure Choice Watercoolers Limited

9 Intangible assets

	Purchased goodwill
	£'000
Cost	
At 1 January 2003	386
Transfer to group company	(386)
At 31 December 2003	-
Amortisation	
At 1 January 2003	26
Transfer to group company	(26)
At 31 December 2003	-
Net book amount	
At 31 December 2003	-
At 31 December 2002	360

Pure Choice Watercoolers Limited

10 Tangible assets

	Motor vehicles	Plant and machinery	Fixtures and fittings	Total
	£'000	£'000	£'000	£'000
Cost or valuation				
At 1 January 2003	47	114	9	170
Transfer to group company	(47)	(114)	(9)	(170)
At 31 December 2003	-	-	-	-
Accumulated depreciation				
At 1 January 2003	19	26	5	50
Transfer to group company	(19)	(26)	(5)	(50)
At 31 December 2003	-	-	-	-
Net book amount				
At 31 December 2003	-	-	-	-
At 31 December 2002	28	88	4	120

The net book value of tangible fixed assets includes an amount of £nil (2002: £20,516) in respect of assets held under finance leases.

11 Investments

	Subsidiary undertakings £'000
Cost	
At 1 January 2003	12,044
Reclassification	(1,470)
At 31 December 2003	10,574

The company owns the entire ordinary share capital of the companies listed below, all of which are registered in England and Wales, with the exception of Caledonian Coolers Limited which is registered in Scotland.

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11 Investments (continued)

		Nature of business	Capital and reserves £'000	Profit/(loss) for year £'000
Aquacoast Limited	100%	Supply of mineral water and cooling equipment	4,051	3,940
Cool Water (London) Ltd	100%	Supply of mineral water and cooling equipment	4,643	4,664
Premier Pure Water Limited*	48%*	Supply of mineral water and cooling equipment	288	(3)
Coola Vend Limited	100%	Supply of mineral water and cooling equipment	1,518	1,522
London Springs Limited	100%	Supply of mineral water and cooling equipment	1,310	1,507
Wellbrook Watercoolers Limited	100%	Supply of mineral water and cooling equipment	103	(139)
Aquarius Water Services Limited	100%	Supply of mineral water and cooling equipment	731	509
Caledonian Coolers Ltd	100%	Supply of mineral water and cooling equipment	3,627	3,597
Seven Springs Limited	100%	Supply of mineral water and cooling equipment	2,560	2,967

* On 31 December 2004, the company acquired the remaining issued share capital of Premier Pure Water Limited for a consideration of £3.5 million, increasing it's shareholding in Premier Pure Water Limited to 100%.

12 Stocks

	2003 £'000	2002 £'000
Finished goods and goods for resale	-	3

Pure Choice Watercoolers Limited

13 Debtors

	2003 £'000	2002 £'000
Trade debtors	-	95
Amounts owed by group undertakings	2,969	16
Other Debtors	-	5
	2,969	116

Amounts owed by group undertakings are repayable on demand and bear no interest.

14 Creditors – amounts falling due within one year

	2003 £'000	2002 £'000
Trade creditors	-	34
Amounts owed to group undertakings	-	500
Amounts due under finance leases	-	8
Taxation and social security	-	23
Accruals and deferred income	-	70
	-	635

15 Creditors – amounts falling due after more than one year

	2003 £'000	2002 £'000
Amounts owed to group undertakings	13,223	12,611
Amounts due under finance leases	-	7
	13,223	12,618

Pure Choice Watercoolers Limited

16 Called up share capital

	2003 £	2002 £
Authorised		
100 ordinary shares of £1 each	100	100
Allotted and fully paid		
100 ordinary shares of £1 each	100	100

17 Reserves

	Profit and loss account £'000
At 1 January 2003	(602)
Retained profit for the financial period	922
At 31 December 2003	320

18 Reconciliation of movements in shareholders' funds

	2003 £'000	2002 £'000
Opening shareholders' funds	(602)	(71)
Retained profit/(loss) for the financial year	922	(531)
Closing shareholders' funds/(deficit)	320	(602)

19 Related party disclosures

In accordance with the provisions of Financial Reporting Standard 8, "Related Party Disclosures", the company, being a wholly owned subsidiary undertaking, has taken advantage of the exemption from disclosing related party transactions with group companies.

Pure Choice Watercoolers Limited

20 Capital commitments

The company has no capital commitments at 31 December 2003 or 31 December 2002.

21 Contingent liabilities

In the opinion of the directors, the company has no material contingent liabilities at 31 December 2003.

22 Post balance sheet events

On 31 December 2004, the company acquired the remaining issued share capital of Premier Pure Water Limited for a consideration of £3.5 million, increasing its shareholding in Premier Pure Water Limited to 100%.

On 31 December 2004, the trade and selected assets of the company were acquired by Eden Springs UK Limited (formerly Chatead'eau UK Limited).

23 Ultimate parent undertaking

The ultimate parent undertaking and controlling party is The Danone Springs of Eden BV, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of The Danone Springs of Eden BV consolidated financial statements can be obtained from its registered office at Frederik Roeskestraat 123, 1076EE, Amsterdam.