

Company Registration No. 08123726 (England and Wales)

AQUA BRIT LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2018



AQUA BRIT LIMITED

COMPANY INFORMATION

Directors	R M Ward D H Yeo	
Secretary	K Rajendra	(Appointed 11 July 2018)
Company number	08123726	
Registered office	30 Argyll Street London W1F 7EB	
Auditor	Gerald Edelman 73 Cornhill London EC3V 3QQ	

AQUA BRIT LIMITED

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AQUA BRIT LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 NOVEMBER 2018

The directors present the strategic report for the year ended 30 November 2018.

Fair review of the business

The directors are satisfied with the results for the year. Sales and profitability have been remained buoyant during the year under review. Gross profit margins have remained stable at 75%. Similarly, the company's financial position and cash reserves are robust.

The directors have considered the period ahead and addressed the company's performance. The directors forecast continued profitability.

Principal risks and uncertainties

The risk implications of business decisions affecting the company are considered by the directors. The directors and senior management re-assess these risks on a regular basis to ensure that any risks arising from changes in the company's operations or the external environment are identified and appropriately managed. The individual risks have been categorised into the following areas:

- management;
- taxation;
- financing;
- economic climate;
- regulatory changes;
- seasonality and weather;
- level of fixed overheads and variable revenues;
- health and safety.

In order to provide reliant and timely information to the directors, the company has the following information systems which generates reports as follows:

- preparation of monthly management accounts including analysis of material variances;
- regular reporting the directors on financial and treasury matters;
- preparation of annual budgets and profit forecasts

The nature of the specific risk and related controls are as follows:

Management risk

The company is reliant on its small high calibre team of operational managers and the directors

Principal controls

The company engages a related staffing company to help provide and develop high calibre staff. The directors have tried to ensure that the knowledge base of the operational management team is shared as much as possible throughout the company.

Taxation risk

The company is exposed to financial risks from increases in tax rates and changes in the basis of taxation including corporation tax and VAT.

Principal controls

These include regular monitoring of legislative proposals and the engagement of the experienced sector-specific professional advisors to mitigate the impact of changes.

AQUA BRIT LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2018

Principal risks and uncertainties continued

Financing risk
See Financial instruments.

Economic climate

The directors have identified and evaluated risks and uncertainties and have controls in place to mitigate these. The company is exposed to the risks of the current economic climate that could lower the company's revenues and operating results in the future. It has been well documented that the decision of the UK to leave the European Union in June 2016 and ongoing negotiations relating to the withdrawal in 2019 has given rise to further uncertainty. There may be pressures regarding the company's access to suitable staff. Continued availability of quality staff is being addressed by a fellow subsidiary undertaking involved in the provision of staff services. Actions continue to be taken to maximise the company's performance, by focusing on the company's offering and cost control.

Regulatory changes

The consequences of changes in legislation on licensing are clear and the business model has been adapted to take into account their impact.

Seasonality and weather

The company's revenues can be adversely affected by extremes of weather conditions. Current planning assumes average seasonal weather conditions.

High proportion of fixed overheads and variable revenues

A significant proportion of the cost base remains constant notwithstanding changes to the level of revenues. Therefore, significant changes in revenues could have a marked impact on the level of earnings and cash flows. Management review overhead costs on a monthly basis, whilst sales are monitored against targets.

Health and safety

Health and safety is taken very seriously by the company. The risk of non compliance with health and safety legislation is minimised through comprehensive training, development and review of policies and procedures to maintain standards.

Key performance indicators

The key performance indicators of the company are customer numbers and average spend, gross profit margin of 75% and an EBITDA in excess of £3m. The directors consider that the company operates acceptable key performance indicators relevant to the nature of the business and is consistent with the restaurant sector.

AQUA BRIT LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2018

Financial instruments

The company's principal financial instruments comprise bank balances, trade creditors and loans to and from group undertakings. The main purpose of these instruments is to raise funds for the company and to finance some of the UK group's operations. The company's approach to managing risks applicable to the financial instruments concerned is shown below.

Price risk

Price risk is managed by regularly negotiating prices with suppliers.

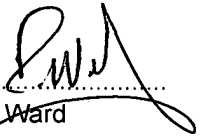
Interest rate risk

The company finances its operations through loans from its group undertakings. The company's exposure to interest rate fluctuations on its borrowings is managed by the use of fixed facilities with related companies, where this has arisen.

Liquidity risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. Primarily this was achieved through initial financial support from its related undertakings. The company policy throughout the year has been to ensure continuity of funding. Short term flexibility is achieved by financial support from its fellow related undertakings. Given the level of cash reserves held by the company, liquidity is not a significant risk.

On behalf of the board


.....
R M Ward
Director

29/4/2019
.....

AQUA BRIT LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 NOVEMBER 2018

The directors present their annual report and financial statements for the year ended 30 November 2018.

Principal activities

The principal activity of the company in the year under review continued to be that of restaurateurs.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

R M Ward

D H Yeo

Results and dividends

The results for the year are set out on page 8.

Ordinary dividends of £1.7m (2017: £2.5m) were distributed during the year.

Auditor

The auditor, Gerald Edelman, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

AQUA BRIT LIMITED

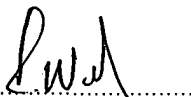
DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2018

Going concern

Having reviewed the company's financial forecasts and expected future cash flows, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the going concern basis has been adopted in preparing the financial statements for the year ended 30 November 2018.

On behalf of the board



R M Ward

Director

29/04/2019

AQUA BRIT LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AQUA BRIT LIMITED

Opinion

We have audited the financial statements of Aqua Brit Limited (the 'company') for the year ended 30 November 2018 which comprise the Income Statement, the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (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 30 November 2018 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

AQUA BRIT LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF AQUA BRIT LIMITED

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 strategic report and the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Howard Woolf FCA (Senior Statutory Auditor)
for and on behalf of Gerald Edelman



Chartered Accountants
Statutory Auditor

73 Cornhill
London
EC3V 3QQ

AQUA BRIT LIMITED

INCOME STATEMENT

FOR THE YEAR ENDED 30 NOVEMBER 2018

	Notes	2018 £	2017 £
Turnover	3	15,009,322	15,772,862
Cost of sales		(3,713,178)	(3,932,421)
Gross profit		11,296,144	11,840,441
Administrative expenses		(9,143,172)	(9,178,175)
Other operating income		585,167	542,437
Operating profit	4	2,738,139	3,204,703
Interest payable and similar expenses	6	(269)	(2,270)
Profit before taxation		2,737,870	3,202,433
Tax on profit	7	(528,785)	(627,411)
Profit for the financial year		2,209,085	2,575,022

The income statement has been prepared on the basis that all operations are continuing operations.

AQUA BRIT LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 NOVEMBER 2018

	2018 £	2017 £
Profit for the year	2,209,085	2,575,022
Other comprehensive income	-	-
Total comprehensive income for the year	<u>2,209,085</u>	<u>2,575,022</u>

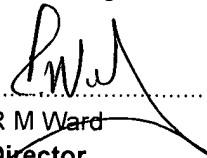
AQUA BRIT LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 30 NOVEMBER 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Tangible assets	9		1,277,034		1,617,987
Current assets					
Stocks	11	132,117		103,417	
Debtors	12	3,721,913		2,330,380	
Cash at bank and in hand		8,155,773		4,189,473	
		12,009,803		6,623,270	
Creditors: amounts falling due within one year	13	(9,686,308)		(5,149,813)	
Net current assets			2,323,495		1,473,457
Total assets less current liabilities			3,600,529		3,091,444
Capital and reserves					
Called up share capital	15		1		1
Profit and loss reserves			3,600,528		3,091,443
Total equity			3,600,529		3,091,444

The financial statements were approved by the board of directors and authorised for issue on 29/12/2019 and are signed on its behalf by:


R M Ward
Director

Company Registration No. 08123726

AQUA BRIT LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 NOVEMBER 2018

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 December 2016		1	3,016,421	3,016,422
Year ended 30 November 2017:				
Profit and total comprehensive income for the year		-	2,575,022	2,575,022
Dividends	8	-	(2,500,000)	(2,500,000)
Balance at 30 November 2017		1	3,091,443	3,091,444
Year ended 30 November 2018:				
Profit and total comprehensive income for the year		-	2,209,085	2,209,085
Dividends	8	-	(1,700,000)	(1,700,000)
Balance at 30 November 2018		1	3,600,528	3,600,529

AQUA BRIT LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 NOVEMBER 2018

	Notes	2018 £	£	2017 £	£
Cash flows from operating activities					
Cash generated from operations	20	6,310,419		3,246,536	
Interest paid		(269)		(2,270)	
Income taxes paid		(640,841)		(686,600)	
Net cash inflow from operating activities		5,669,309		2,557,666	
Investing activities					
Purchase of tangible fixed assets		(3,009)		(6,933)	
Net cash used in investing activities		(3,009)		(6,933)	
Financing activities					
Dividends paid		(1,700,000)		(2,500,000)	
Net cash used in financing activities		(1,700,000)		(2,500,000)	
Net increase in cash and cash equivalents		3,966,300		50,733	
Cash and cash equivalents at beginning of year		4,189,473		4,138,740	
Cash and cash equivalents at end of year		8,155,773		4,189,473	

AQUA BRIT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2018

1 Accounting policies

Company information

Aqua Brit Limited is a private company limited by shares incorporated in England and Wales. The registered office is 30 Argyll Street, London, W1F 7EB.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT. Restaurant sales are recognised on the provision of the service. Deposits received in advance for events and bookings are deferred until the service is provided.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Leasehold improvements	over the unexpired term of the lease of 15 years.
Fixtures, fittings & equipment	20% on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to the income statement.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the income statement.

AQUA BRIT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2018

1 Accounting policies

(Continued)

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. 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, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the income statement.

1.6 Stocks

Stocks are valued at lower of cost and net realisable value, after making due allowances for obsolete and slow moving items.

1.7 Cash and cash equivalents

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the income statement.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in the income statement.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

AQUA BRIT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2018

1 Accounting policies

(Continued)

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors and loans from related group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through the income statement. Debt instruments may be designated as being measured at fair value through the income statement to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

AQUA BRIT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2018

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.11 Staff costs

The company engages the services of a related staff services company and does not employ staff in its own right. Such costs are recognised on the provision of the service.

1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to the income statement on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.13 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the income statement for the period.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Amortisation and depreciation, useful lives and residual values of tangible fixed assets

The directors estimate the useful lives and residual values of tangible assets in order to calculate the depreciation charge. Changes in these estimates could result in changes being required to the annual charges in the income statement and the carrying values of these assets in the balance sheet.

AQUA BRIT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2018

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2018 £	2017 £
Turnover analysed by class of business		
Restaurant sales	15,009,322	15,772,862

4 Operating profit

	2018 £	2017 £
Operating profit for the year is stated after charging:		
Exchange losses	2,088	-
Fees payable to the company's auditor for the audit of the company's financial statements	12,000	12,000
Depreciation of owned tangible fixed assets	343,962	475,044
Cost of stocks recognised as an expense	3,713,178	3,932,421
Operating lease charges	1,131,971	1,109,871

5 Staff costs

The company engages the services of a related staff services company and does not employ staff in its own right. Staff costs during the period amounted to £4,008,688 (2017: £4,056,095).

6 Interest payable and similar expenses

	2018 £	2017 £
Interest on financial liabilities measured at amortised cost:		
Other interest on financial liabilities	269	-
Other finance costs:		
Other interest	-	2,270
	269	2,270

7 Taxation

	2018 £	2017 £
Current tax		
UK corporation tax on profits for the current period	552,997	671,430
Over provision in prior year	-	(367)
Total current tax	552,997	671,063

AQUA BRIT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2018

7 Taxation

(Continued)

Deferred tax

Origination and reversal of timing differences

(24,212)	(43,652)
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Total tax charge

528,785	627,411
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The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2018 £	2017 £
Profit before taxation	2,737,870	3,202,433
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2017: 19.00%)	520,195	608,462
Tax effect of expenses that are not deductible in determining taxable profit	-	159
Depreciation in excess of capital allowances	32,802	51,295
Deferred tax	(24,212)	(43,652)
Other	-	11,147
Taxation charge for the year	528,785	627,411

8 Dividends

	2018 £	2017 £
Interim paid	1,700,000	2,500,000

AQUA BRIT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2018

9 Tangible fixed assets

	Leasehold improvements	Fixtures, fittings & equipment	Total
	£	£	£
Cost			
At 1 December 2017	1,854,513	1,791,365	3,645,878
Additions	-	3,009	3,009
At 30 November 2018	1,854,513	1,794,374	3,648,887
Depreciation and impairment			
At 1 December 2017	464,606	1,563,285	2,027,891
Depreciation charged in the year	116,771	227,191	343,962
At 30 November 2018	581,377	1,790,476	2,371,853
Carrying amount			
At 30 November 2018	1,273,136	3,898	1,277,034
At 30 November 2017	1,389,907	228,080	1,617,987

10 Financial instruments

	2018 £	2017 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	2,964,259	1,626,202
Carrying amount of financial liabilities		
Measured at amortised cost	8,535,342	4,043,627

11 Stocks

	2018 £	2017 £
Finished goods	132,117	103,417

AQUA BRIT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2018

12 Debtors

	2018 £	2017 £
Amounts falling due within one year:		
Trade debtors	229,941	206,047
Amounts owed by group undertakings	2,734,318	1,420,155
Prepayments and accrued income	709,077	679,813
	<u>3,673,336</u>	<u>2,306,015</u>
Deferred tax asset (note 14)	48,577	24,365
	<u>3,721,913</u>	<u>2,330,380</u>

13 Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	1,606,082	1,604,927
Amounts due to group undertakings	5,585,183	1,302,880
Corporation tax	272,216	360,060
Other taxation and social security	186,695	193,998
Other creditors	137,777	95,298
Accruals and deferred income	1,898,355	1,592,650
	<u>9,686,308</u>	<u>5,149,813</u>

14 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Assets 2018 £	Assets 2017 £
Balances:		
Accelerated capital allowances	<u>48,577</u>	<u>24,365</u>
Movements in the year:		2018 £
Liability/(Asset) at 1 December 2017		(24,365)
Credit to the income statement		(24,212)
Liability/(Asset) at 30 November 2018		<u>(48,577)</u>

The deferred tax asset set out above is expected to reverse and relates to timing differences between depreciation and capital allowances claimed.

AQUA BRIT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2018

15 Share capital

	2018 £	2017 £
Ordinary share capital Issued and fully paid 1 Ordinary of £1 each	1	1
	<u>1</u>	<u>1</u>

16 Financial commitments, guarantees and contingent liabilities

Aqua Brit Limited and its fellow subsidiary undertakings have provided cross guarantees as part of a group guarantee arrangement in order to secure a bank loan in this company in December 2018. The directors, R M Ward and D H Yeo, have provided personal guarantees limited to £3m. In addition, the bank hold charges on two privately owned properties of the directors. There is a fixed and floating charge over the assets of the company. The company has also provided guarantees aggregating \$4m in favour of its bankers relating to two overseas entities.

17 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2018 £	2017 £
Within one year	513,150	513,150
Between two and five years	2,052,600	2,052,600
In over five years	4,532,825	5,045,975
	<u>7,098,575</u>	<u>7,611,725</u>

18 Related party transactions

The company has taken advantage of the exemption available under FRS102 whereby it has not disclosed transactions and balances with any wholly owned group companies.

19 Controlling party

The immediate parent company is ANKH Concepts Limited a company registered in the British Virgin Islands.

The ultimate parent company is Contemporary Global Limited, a company registered in the British Virgin Islands.

The company is controlled by the trusts of D Yeo, in which D Yeo has a beneficial interest.

AQUA BRIT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2018

20 Cash generated from operations

	2018 £	2017 £
Profit for the year after tax	2,209,085	2,575,022
Adjustments for:		
Taxation charged	528,785	627,411
Finance costs	269	2,270
Depreciation and impairment of tangible fixed assets	343,962	475,044
Movements in working capital:		
(Increase) in stocks	(28,700)	(15,621)
(Increase)/decrease in debtors	(1,367,321)	713,822
Increase/(decrease) in creditors	4,624,339	(1,131,412)
Cash generated from operations	<u>6,310,419</u>	<u>3,246,536</u>