

# **ESP Water Limited**

Unaudited Accounts

Regulatory Year Ended

31 March 2024

Registered number 13495621

# ESP Water Limited

Accounts  
for the year ended 31 March 2024

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## Directors

Nick Horler  
Anna Dellis  
Paul Miles  
Simon Loh  
Steve Morris  
Kevin O'Connor  
Yard Virdee

## Secretary and registered office

Beach Secretaries Limited, 1<sup>st</sup> Floor, Bluebird House, Mole Business Park, Leatherhead, KT22 7BA

## Company number

13495621

**ESP Water Limited**  
**Income statement**  
**for the year ended 31 March 2024**

	Note	2024 £	2023 £
<b>Turnover</b>		<b>109,089</b>	-
Cost of sales		<b>(206,408)</b>	(9,485)
<b>Gross loss</b>		<b>(97,319)</b>	(9,485)
Total administrative expenses		<b>(553,909)</b>	(566,861)
Bad debt provision		<b>(1,569)</b>	-
<b>Operating loss</b>	3	<b>(652,797)</b>	(576,346)
Loss on ordinary activities before taxation		<b>(652,797)</b>	(576,346)
Taxation on loss on ordinary activities	6	<b>106,964</b>	(13,900)
<b>Loss for the financial year and total comprehensive expense for the year</b>		<b>(545,833)</b>	(590,246)

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations. There were no items of other comprehensive income in the current and prior year.

# ESP Water Limited

## Balance sheet as at 31 March 2024

	Note	2024 £	2024 £	2023 £	2023 £
<b>Fixed assets</b>					
Tangible assets	7		512,268		74,946
Deferred tax	10		93,064		-
			<u>605,332</u>		<u>74,946</u>
<b>Current assets</b>					
Debtors	8	96,180		-	
Cash at bank and in hand		239,299		63,402	
		<u>335,479</u>		<u>63,402</u>	
<b>Creditors: amounts falling due within one year</b>	9	(2,105,803)		(743,607)	
<b>Net current liabilities</b>			<u>(1,770,324)</u>		<u>(680,205)</u>
<b>Total assets less current liabilities</b>			<u>(1,164,992)</u>		<u>(605,259)</u>
<b>Provisions for liabilities</b>	10		-		(13,900)
<b>Net liabilities</b>			<u>(1,164,992)</u>		<u>(619,159)</u>
<b>Capital and reserves</b>					
Called up share capital	12		1		1
Profit and loss account			(1,164,993)		(619,160)
<b>Equity shareholder (deficit)</b>			<u>(1,164,992)</u>		<u>(619,159)</u>

# ESP Water Limited

## Statement of changes in equity for the year ended 31 March 2024

	Share capital	Profit and loss account	Total equity	Share capital	Profit and loss account	Total equity
	2024 £	2024 £	2024 £	2023 £	2023 £	2023 £
1 April	1	(619,160)	(619,159)	1	(28,914)	(28,913)
Comprehensive expense for the year	-	(545,833)	(545,833)	-	(590,246)	(590,246)
<b>Total comprehensive expense for the year</b>	-	<b>(545,833)</b>	<b>(545,833)</b>	-	<b>(590,246)</b>	<b>(590,246)</b>
Contributions by and distributions to owners	-	-	-	-	-	-
Shares issued	-	-	-	-	-	-
<b>Total contributions by and distributions to owners</b>	-	-	-	-	-	-
<b>31 March</b>	<b>1</b>	<b>(1,164,993)</b>	<b>(1,164,992)</b>	<b>1</b>	<b>(619,160)</b>	<b>(619,159)</b>

# ESP Water Limited

## Notes to the accounts for the year ended 31 March 2024

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### 1 Accounting policies

ESP Water Limited is a private company, limited by shares, incorporated in England & Wales under the Companies Act. The registered office is Bluebird House, Mole Business Park, Leatherhead, KT22 7BA.

The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

The financial statements are prepared in sterling, which is the functional currency of the company. The financial statements have been prepared under the historical cost convention.

#### ***Basis of preparation***

##### *Disclosure exemptions*

In preparing the financial statements of the Company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No cash flow statement has been presented for the Company as this information is included in the consolidated accounts of ESP Utilities Group Limited (company number 02612105), which can be obtained from Companies House; and
- the requirements in Section 33 Related Party Disclosures, to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member;
- Disclosures in respect of the Company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the Group as a whole within the accounts of ESP Utilities Group Limited.

#### ***Going concern***

The financial statements have been prepared on a going concern basis. The Company is dependent for its working capital on funds provided to it by a fellow group undertaking. This group undertaking has confirmed it will not seek repayment of amounts outstanding to the extent that to do so would prevent the Company being able to meet its liabilities as they fall due in the next twelve-month period from the date of these financial statements. This should enable the Company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment.

As a new company ESP Water Limited is dependent for its working capital on funds provided to it by a fellow group undertaking in the short term until the current order book is built out and starts generating long-term regulated income to generate a cash surplus annually. In addition, stress cash flows have been prepared at Zoom Holding Limited level to assess any impact on the business from higher interest rates and current cost of living pressures. The Directors do not believe there will be any material financial or operational impact from these in the future.

On this basis the Directors believe it is appropriate to present the accounts on the going concern basis.

The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

The following principal accounting policies have been applied:

# ESP Water Limited

## Notes to the accounts for the year ended 31 March 2024 (*continued*)

### 1 Accounting policies (*continued*)

#### **Turnover**

Turnover represents the amount (excluding value added tax) derived from the supply of water and sewerage services to residential and commercial customers. Income from the transport of water and sewerage using the Company's infrastructure is recognised on the basis of actual or estimated volumes delivered in the financial period.

Turnover arises solely within the United Kingdom.

#### **Tangible fixed assets**

Tangible fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

##### a) Depreciation

Depreciation is calculated so as to write off the cost of fixed assets by equal instalments over their estimated useful lives as follows:

Fixtures, fittings, tools & equipment	4 to 8 years
Water networks	60 years
Water meters	15 years

#### **Impairment of fixed assets**

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit ("CGU") to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flow (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

#### **Current and deferred taxation**

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except that a change attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates taxable income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except:

- The recognition of deferred tax assets is limited to the extent that is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

# ESP Water Limited

## Notes to the accounts for the year ended 31 March 2024 (*continued*)

### 1 Accounting policies (*continued*)

#### ***Current and deferred taxation (continued)***

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax.

Deferred income tax is determined using tax rates and laws that have enacted or substantively enacted by the reporting date.

#### ***Financial Assets***

Financial assets, other than investments, are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment. Any subsequent impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

#### ***Financial liabilities and equity***

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities, excluding convertible debt and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost.

#### ***Reserves***

The Company's reserves are as follows:

- Called up share capital represents the nominal value of shares issued.
- Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

#### ***Dividends***

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders.

### 2 Judgements in applying accounting policies and key sources of estimation uncertainty

There are no key areas representing critical judgements or sources of estimation uncertainty in the financial statements.

### 3 Operating loss

	<b>2024</b>	2023
	£	£
This is arrived at after charging/(crediting):		
Depreciation of tangible fixed assets	<b>14,557</b>	8,322
Auditor's remuneration	<b>11,304</b>	7,100
	<b>25,861</b>	15,422

All auditor's remuneration relates to the audit of the financial statements. Consistent with the previous year, no non-audit services were provided by the auditor



# ESP Water Limited

## Notes to the accounts for the year ended 31 March 2024 (*continued*)

### 4 Staff numbers and costs

ESP Water does not operate a payroll and the employees are within the group payroll operated by E.S. Pipelines Limited. These costs are then charged across, all payroll taxes and liabilities remain within E.S. Pipelines Limited.

The average number of employees during the year was 7 (2023: 5).

The aggregate payroll costs of these persons were as follows:

	2024 £	2023 £
Wages and salaries	391,289	346,834
Social security costs	46,263	42,114
Pension costs	44,616	45,585
	<u>482,168</u>	<u>434,533</u>

### 5 Directors remuneration

The Directors received no remuneration or fees in respect of their services to the Company for the year ended 31 March 2024. The directors who served during the year were employed by Zoom Holding Limited and other group companies and were remunerated through these companies. Consequently, there is no link between remuneration and standards of performance.

### 6 Taxation on profit on ordinary activities

	2024 £	2024 £	2023 £	2023 £
<i>UK corporation tax</i>				
Current tax on profits of the year		-		-
Adjustment in respect of previous periods		-		-
Total current tax		<u>-</u>		<u>-</u>
<i>Deferred tax</i>				
Deferred tax current period	(106,964)		10,564	
Effect of changes in tax rate	-		3,336	
		<u>(106,964)</u>		<u>13,900</u>
Total tax charge		<u>(106,964)</u>		<u>13,900</u>

Legislation to increase the UK standard rate of corporation tax from 19% to 25% from 1 April 2023 was enacted in the period to 31 December 2021. UK deferred tax balances at 31 March 2024, have been calculated at 25%.

# ESP Water Limited

## Notes to the accounts for the year ended 31 March 2024 (*continued*)

7	Tangible fixed assets	Water Networks	Fixtures, fittings, tools & equipment £	Total £
	<i>Cost</i>			
	At 1 April 2023	18,601	64,690	83,291
	Additions	446,429	5,450	451,879
	At 31 March 2024	<b>465,030</b>	<b>70,140</b>	<b>535,170</b>
	<i>Depreciation</i>			
	At 1 April 2023	23	8,322	8,345
	Charge for year	5,091	9,466	14,557
	At 31 March 2024	<b>5,114</b>	<b>17,788</b>	<b>22,902</b>
	<i>Net book value</i>			
	At 31 March 2024	<b>459,916</b>	<b>52,352</b>	<b>512,268</b>
	At 31 March 2023	18,578	56,368	74,946
	<b>8 Debtors</b>		<b>2024</b>	<b>2023</b>
			<b>£'000</b>	<b>£'000</b>
	Trade debtors and prepayments		<b>90,558</b>	-
	Other debtors		<b>5,622</b>	-
			<b>96,180</b>	-
	<b>9 Creditors: amounts falling due within one year</b>		<b>2024</b>	<b>2023</b>
			<b>£'000</b>	<b>£'000</b>
	Trade creditors and accruals		<b>88,311</b>	4,383
	Amounts owed to Group undertakings		<b>2,015,923</b>	739,224
	Other creditors		<b>1,569</b>	-
			<b>2,105,803</b>	743,607

The amounts owed to group undertakings relate to intercompany balances which do not bear interest and are repayable on demand by the Company when sufficient funds are available to do so.

# ESP Water Limited

## Notes to the accounts for the year ended 31 March 2024 (*continued*)

### 10 Provisions for liabilities

	Deferred taxation 2024 £'000	Deferred taxation 2023 £'000
At 1 January	13,900	-
Charged/(credited) to profit or loss	(106,964)	13,900
	<hr/>	<hr/>
At 31 December	(93,064)	13,900
	<hr/> <hr/>	<hr/> <hr/>

It is estimated that deferred tax liabilities arising on fixed assets and losses carried forward will not reverse in the next accounting period. Deferred tax has been treated as a non-current asset for 2024.

### 11 Deferred tax liabilities

	2024 £'000	2023 £'000
Difference between accumulated depreciation and amortisation and capital allowances	106,144	13,900
Losses carried forward	(199,208)	-
	<hr/>	<hr/>
	(93,064)	13,900
	<hr/> <hr/>	<hr/> <hr/>

### 12 Share capital

	2024 £	2023 £
<i>Allotted, called up and fully paid</i> 1 Ordinary shares of £1 each	1	1
	<hr/>	<hr/>

The ordinary shareholders have full voting rights.

### 13 Dividends

No dividend has been voted or paid for the year ended 31 March 2024.

### 14 Bad debt

No bad debt has been incurred during the year. A provision for bad debt has been made during the year of £1,569 (2023: Nil).

# ESP Water Limited

## Notes to the accounts for the year ended 31 March 2024 (*continued*)

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### **15 Immediate and ultimate holding company and parent undertaking of larger group**

The Company's immediate holding company is ESPUG Finance Limited, a Company registered in England. The Company's ultimate holding company is Zoom Holding Limited, a Company registered in England and Wales. The Company is ultimately controlled by 3i MIA LP, an English limited partnership, which is managed by 3i Investments plc. 3i Investments plc is wholly owned by 3i Group plc. The general partner of 3i MIA LP is 3i Managed Infrastructure GP (2017) LLP.

The largest group in which the results of the Company are consolidated is that headed by Zoom Holding Limited. The smallest group in which the results of the Company are consolidated is that headed by ESP Utilities Group Limited. Copies of these consolidated financial statements are available from Companies House.

The registered office all group companies is Bluebird House, Mole Business Park, Leatherhead, KT22 7BA.