

ESP Water Limited

Unaudited Accounts

Regulatory Year Ended

31 March 2025

Registered number 13495621

ESP Water Limited

Accounts
for the year ended 31 March 2025

Directors

Anna Dellis
Miriam Greenwood
Paul Miles
Simon Loh
Steve Morris
Kevin O'Connor
Yard Virdee

Secretary and registered office

Beach Secretaries Limited, 1st Floor, Kings Court, 41-51 Kingston Road, Leatherhead, KT22 7LS

Company number

13495621

ESP Water Limited

Income statement for the year ended 31 March 2025

	Note	2025 £	2024 £
Turnover		329,898	109,089
Cost of sales		(770,420)	(206,408)
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Gross loss		(440,522)	(97,319)
Total administrative expenses		(691,825)	(553,909)
Bad debt provision		(4,553)	(1,569)
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Operating loss	3	(1,136,900)	(652,797)
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Loss on ordinary activities before taxation		(1,136,900)	(652,797)
Taxation on loss on ordinary activities	6	(392,678)	106,964
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Loss for the financial year and total comprehensive expense for the year		(1,529,578)	(545,833)
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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 2025

	Note	2025 £	2025 £	2024 £	2024 £
Fixed assets					
Tangible assets	7		2,273,372		512,268
Deferred tax	10		-		93,064
			2,273,372		605,332
Current assets					
Debtors	8	331,469		96,180	
Cash at bank and in hand		370,261		239,299	
		701,730		335,479	
Creditors: amounts falling due within one year	9	(5,370,059)		(2,105,803)	
Net current liabilities			(4,668,330)		(1,770,324)
Total assets less current liabilities			(2,394,957)		(1,164,992)
Provisions for liabilities	10		(299,613)		-
Net liabilities			(2,694,570)		(1,164,992)
Capital and reserves					
Called up share capital	12		1		1
Profit and loss account			(2,694,571)		(1,164,993)
Equity shareholder (deficit)			(2,694,570)		(1,164,992)

ESP Water Limited

Statement of changes in equity for the year ended 31 March 2025

	Share capital	Profit and loss account	Total equity	Share capital	Profit and loss account	Total equity
	2025 £	2025 £	2025 £	2024 £	2024 £	2024 £
1 April	1	(1,164,993)	(1,164,992)	1	(619,160)	(619,159)
Comprehensive expense for the year	-	(1,529,578)	(1,529,578)	-	(545,833)	(545,833)
Total comprehensive expense for the year	-	(2,694,571)	(2,694,571)	-	(545,833)	(545,833)
Contributions by and distributions to owners	-	-	-	-	-	-
Shares issued	-	-	-	-	-	-
Total contributions by and distributions to owners	-	-	-	-	-	-
31 March	1	(2,694,571)	(2,694,570)	1	(1,164,993)	(1,164,992)

ESP Water Limited

Notes to the accounts for the year ended 31 March 2025

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 First Floor, Kings Court, 41-51 Kingston Road, Leatherhead, KT22 7LS.

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.

New and amended Standards that are effective for the current year

In March 2024 the FRC issued Amendments to FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland and other FRSS – Periodic Review 2024 (the 'Periodic Review 2024 amendments').

The Company has applied the amendments to FRS 102 issued by the FRC in March 2024, for the first time during the year in advance of their effective date. The amendments that impact the Company, discussed in more detail below, include changes to Section 23 Revenue from Contracts with Customers (formerly Section 23 Revenue). Several other amendments have been made which affect numerous areas of FRS 102, including changes to Section 20 Leases, new disclosures for supplier finance arrangements within Section 7 Statement of Cash Flows, a revised section on concepts and pervasive principles, changes to fair value measurement and to the requirements for uncertain tax positions, however these have not had a material impact on the Company's financial statements.

Revenue from Contracts with Customers:

The amendments to FRS 102 include a 5-step approach to revenue recognition, applied retrospectively. Following a detailed review of the Company's relevant transactions and positions, no material adjustments were required and as a result, no cumulative adjustment to opening retained earnings has been presented. The amendments use the terms 'contract asset' and 'contract liability' to describe what might more commonly be known as 'accrued revenue' and 'deferred revenue', however, the Standard does not prohibit an entity from using alternative descriptions in the statement of financial position. As a result, no changes have been made to existing terminology.

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.

ESP Water Limited

Notes to the accounts for the year ended 31 March 2025 (*continued*)

1 Accounting policies (*continued*)

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 relatively 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:

Revenue

Revenue represents the amount (excluding value added tax) derived from the supply of water and sewerage services to residential and commercial customers, on the basis of actual or estimated volumes delivered in the financial period. Income from the transport of water and sewerage using the Company's infrastructure is measured at the fair value of the consideration received or receivable, net of returns and discounts.

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

ESP Water Limited

Notes to the accounts for the year ended 31 March 2025 (*continued*)

1 Accounting policies (*continued*)

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.

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.

ESP Water Limited

Notes to the accounts for the year ended 31 March 2025 (*continued*)

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

	2025 £	2024 £
This is arrived at after charging/(crediting):		
Depreciation of tangible fixed assets	46,111	14,557
Auditor's remuneration	17,785	11,304

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

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 (2024: 7).

The aggregate payroll costs of these persons were as follows:

	2025 £	2024 £
Wages and salaries	534,070	391,289
Social security costs	65,566	46,263
Pension costs	55,290	44,616
	654,926	482,168

ESP Water Limited

Notes to the accounts for the year ended 31 March 2025 (*continued*)

5 Directors remuneration

The Directors received no remuneration or fees in respect of their services to the Company for the year ended 31 March 2025. 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

	2025 £	2025 £	2024 £	2024 £
<i>UK corporation tax</i>				
Current tax on profits of the year		-		-
Adjustment in respect of previous periods		-		-
Total current tax		-		-
<i>Deferred tax</i>				
Deferred tax current period	392,678		(106,964)	
Effect of changes in tax rate	-		-	
		392,678		(106,964)
Total tax charge		392,678		(106,964)

Factors affecting the tax charge for the current period

The current tax charge for the period is higher (2024: higher) than the standard rate of corporation tax in the UK of 25% (2024: 25%).

ESP Water Limited

Notes to the accounts for the year ended 31 March 2025 (*continued*)

7 Tangible fixed assets

	Water Meters	Water Networks	Motor Vehicles	Fixtures, fittings, tools & equipment £	Total £
<i>Cost</i>					
At 1 April 2024	-	465,030	-	70,140	535,170
Additions	226,848	1,454,517	85,800	40,050	1,807,215
	<u>226,848</u>	<u>1,454,517</u>	<u>85,800</u>	<u>40,050</u>	<u>1,807,215</u>
At 31 March 2025	226,848	1,919,547	85,800	110,190	2,342,385
	<u>226,848</u>	<u>1,919,547</u>	<u>85,800</u>	<u>110,190</u>	<u>2,342,385</u>
<i>Depreciation</i>					
At 1 April 2024	-	5,114	-	17,788	22,902
Charge for year	8,859	13,346	13,645	10,261	46,111
	<u>8,859</u>	<u>13,346</u>	<u>13,645</u>	<u>10,261</u>	<u>46,111</u>
At 31 March 2025	8,859	18,460	13,645	28,049	69,013
	<u>8,859</u>	<u>18,460</u>	<u>13,645</u>	<u>28,049</u>	<u>69,013</u>
<i>Net book value</i>					
At 31 March 2025	217,989	1,901,087	72,155	82,141	2,273,372
	<u>217,989</u>	<u>1,901,087</u>	<u>72,155</u>	<u>82,141</u>	<u>2,273,372</u>
At 31 March 2024	-	459,916	-	52,352	512,268
	<u>-</u>	<u>459,916</u>	<u>-</u>	<u>52,352</u>	<u>512,268</u>

8 Debtors

	2025 £'000	2024 £'000
Trade debtors and prepayments	301,060	90,558
Other debtors	30,409	5,622
	<u>301,060</u>	<u>90,558</u>
	<u>30,409</u>	<u>5,622</u>
	331,469	96,180
	<u>331,469</u>	<u>96,180</u>

9 Creditors: amounts falling due within one year

	2025 £'000	2024 £'000
Trade creditors and accruals	661,407	88,311
Amounts owed to Group undertakings	4,702,530	2,015,923
Other creditors	6,122	1,569
	<u>661,407</u>	<u>88,311</u>
	<u>4,702,530</u>	<u>2,015,923</u>
	<u>6,122</u>	<u>1,569</u>
	5,370,059	2,105,803
	<u>5,370,059</u>	<u>2,105,803</u>

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 2025 (*continued*)

10 Provisions for liabilities

	Deferred taxation 2025 £'000	Deferred taxation 2024 £'000
At 1 April	93,064	(13,900)
(Charged)/credited to profit or loss	(392,677)	106,964
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At 31 March	(299,613)	93,064
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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 liability for 2025.

11 Deferred tax liabilities

	2025 £'000	2024 £'000
Difference between accumulated depreciation and amortisation and capital allowances	(303,159)	106,144
Losses and other deductions	3,546	(199,208)
	<hr/>	<hr/>
	(299,613)	(93,064)
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12 Share capital

	2025 £	2024 £
<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 2025.

14 Bad debt

No bad debt has been incurred during the year. A provision for bad debt has been made during the year of £4,553 (2024: £1,569).

ESP Water Limited

Notes to the accounts for the year ended 31 March 2025 (*continued*)

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 First Floor, Kings Court, 41-51 Kingston Road, Leatherhead, KT22 7SL.