ESP Water Limited

Unaudited Accounts

Regulatory Year Ended

31 March 2026

Registered number 13495621

ESP Water Limited

Accounts
for the year ended 31 March 2026

Directors
Anna Dellis
Miriam Greenwood
Simon Loh
Paul Miles
Stephen Morris
Kevin O'Connor
Yaadvinder Virdee

Secretary and registered office
Beach Secretaries Limited, 1st Floor, Kings Court, 41-51 Kingston Road, Leatherhead, KT22 7SL

Company number
13495621

Auditor
Deloitte LLP, 2 New Street Square, London. EC4A 3BZ

ESP Water Limited

Statement of comprehensive income
for the year ended 31 March 2026

	Note	2026 £'000	2025 £'000
Turnover	3	**1,863**	330
Cost of sales		**(2,803)**	(770)
Gross loss		**(940)**	(441)
Total administrative expenses		**(909)**	(696)
Operating loss	4	**(1,849)**	(1,137)
Interest receivable	5	**14**	-
Loss on ordinary activities before taxation		**(1,835)**	(1,137)
Taxation on loss on ordinary activities	9	**(312)**	(393)
Loss for the financial year and total comprehensive expense for the year		**(2,147)**	(1,530)

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 2026

	Note	2026 £'000	2026 £'000	2025 £'000	2025 £'000
Fixed assets					
Tangible assets	10		**6,148**		2,273
					2,273
Current assets					
Debtors	11	**3,390**		331	
Cash at bank and in hand		**360**		370	
		3,750		702	
Creditors: amounts falling due within one year	12	**(14,128)**		(5,370)	
Net current liabilities			**(10,378)**		(4,668)
Total assets less current liabilities			**(4,230)**		(2,395)
Deferred taxation	13		**(612)**		(300)
Net liabilities			**(4,842)**		(2,695)
Capital and reserves					
Called up share capital	14		**-**		**-**
Profit and loss account			**(4,842)**		(2,695)
Equity shareholder (deficit)			**(4,842)**		(2,695)

ESP Water Limited

Statement of changes in equity
for the year ended 31 March 2026

	Share capital	**Profit and loss account**	**Total equity**	Share capital	Profit and loss account	Total equity
	2026	**2026**	**2026**	2025	2025	2025
	£'000	**£'000**	**£'000**	£'000	£'000	£'000
1 January	-	**(2,695)**	**(2,695)**	-	(1,165)	(1,165)
Comprehensive loss for the year	**-**	**(2,147)**	**(2,147)**	-	(1,530)	(1,530)
Total comprehensive loss for the year	**-**	**(4,842)**	**(4,842)**	-	(2,695)	(2,695)
Contributions by and distributions to owners	**-**	**-**	**-**	-	-	-
Shares issued	**-**	**-**	**-**	-	-	-
31 December	-	**(4,842)**	**(4,842)**	-	(2,695)	(2,695)

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, United Kingdom, KT22 7SL.

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. Monetary amounts in these financial statements have been rounded to the nearest £1,000. 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 Zoom Holding Limited, 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 newly trading 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:

1 Accounting policies *(continued)*

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.

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.

1 Accounting policies *(continued)*

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.

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 been 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 are 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. The profit and loss account is wholly distributable.

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 Turnover

	2026	2025
	£'000	£'000
Turnover analysed by class of business		
Water and wastewater distribution	**1,863**	330
	1,863	330

All turnover is generated in the United Kingdom.

4 Operating loss

	2026	2025
This is arrived at after charging:	**£'000**	£'000
Depreciation of tangible fixed assets	**113**	46
Auditor's remuneration	**28**	18

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.

5 Interest receivable

	2026	2025
	£'000	£'000
Bank interest receivable	**14**	14

6 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 persons employed by the company during the year was as follows:

	2026	2025
	Number	Number
Administration	**8**	7

7 Staff numbers and costs (continued)

The aggregate payroll costs of these persons were as follows:

	2026	2025
	£'000	£'000
Wages and salaries	**597**	534
Social security costs	**85**	66
Pension costs	**72**	55
	754	655

8 Directors remuneration

The Directors received no remuneration or fees in respect of their services to the Company for the year ended 31 March 2026. The directors who served during the year were employed by Zoom Holding Limited and other group companies and were remunerated through these companies.

9 Taxation on loss on ordinary activities

	2026	**2026**	2025	2025
	£'000	**£'000**	£'000	£'000
UK corporation tax				
Current tax on profits of the year		**-**		-
Adjustment in respect of previous periods		**-**		-
Total current tax		-		-
Deferred tax				
Deferred tax current period (see note 13)	**312**		393	
Effect of changes in tax rate	**-**		-	
		312		393
Total tax charge/(credit)		**312**		393

Factors affecting the tax charge for the current period

The current tax charge for the period is higher (2025: higher) than the standard rate of corporation tax in the UK of 25% (2025: 25%).

10 Tangible fixed assets

	Networks £'000	Meters £'000	Fixtures, fittings, tools & equipment £'000	Motor Vehicles £'000	Total £'000
Cost					
At 1 April 2025	1,919	227	110	86	2,342
Additions	3,627	339	22	-	3,988
At 31 March 2026	**5,546**	**566**	**132**	**86**	**6,330**
Depreciation					
At 1 April 2025	18	9	28	14	69
Charge for year	48	27	17	21	113
At 31 March 2026	**66**	**36**	**45**	**35**	**182**
Net book value					
At 31 March 2026	**5,480**	**530**	**87**	**51**	**6,148**
At 1 April 2025	1,901	218	82	72	2,273

The Private Placement loan notes in the immediate holding company, ESPUG Finance Limited, are secured by an All-Assets charge over the assets of the Group, including those of ESP Water Limited.

11 Debtors

	2026 £'000	2025 £'000
Trade debtors	**2,356**	86
Prepayments and accrued income	**798**	215
Other debtors	**236**	30
	3,390	331

12 Creditors: amounts falling due within one year

	2026 £'000	2025 £'000
Trade creditors	**1,269**	115
Amounts owed to Group undertakings	**9,666**	4,703
Accruals and deferred income	**3,193**	552
	14,128	5,370

13 Deferred taxation

	2026	2025
	£'000	£'000
At 1 April	**(300)**	93
(Charged)/credited to profit or loss	**(312)**	(392)
At 31 March	**(612)**	(300)

It is estimated that deferred tax liabilities and the deferred tax asset arising on fixed assets and the deferred tax liability arising on tax losses will not reverse in the next accounting period.

Deferred taxation is presented as a non-current liability at year end due to being a creditor balance and is not expected to unwind in the next 12 months.

14 Share capital

	2026	2025
	£	£
Allotted, called up and fully paid		
1 Ordinary shares of £1 each	**1**	1

The ordinary shareholders have full voting rights.

15 Dividends

No dividend has been voted or paid for the year ended 31 March 2026.

16 Bad debt

No bad debt has been incurred during the year. A provision for bad debt has been made during the year of £21,122 (2024: £4,533).

17 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 of all group companies is First Floor, Kings Court, 41-51 Kingston Road, Leatherhead, United Kingdom, KT22 7SL.