

Registered number: 03806395

**Water Direct Limited**

**Annual report and financial statements**

**For the year ended 30 April 2022**

**Water Direct Limited**

**Company Information**

**Directors**

T L Heathcote (resigned 4 March 2022)  
J H West (resigned 4 March 2022)  
J C Cockburn (appointed 4 March 2022)  
R R Hernandez (appointed 4 March 2022)  
A T Johnson (appointed 4 March 2022)  
S B Llanos (appointed 4 March 2022)  
A P Smith (appointed 4 March 2022)  
P A Wittet (appointed 4 March 2022)

**Registered number** 03806395

**Registered office**

The Victor Building  
Earls Colne Business Park  
Earls Colne  
Colchester  
CO6 2NS

**Trading Address**

Victor Building  
Earls Colne Business Park  
Earls Colne  
Colchester  
Essex  
CO6 2NS

**Independent auditors**

Kreston Reeves LLP  
Chartered Accountants & Statutory Auditor  
37 St Margaret's Street  
Canterbury  
Kent  
CT1 2TU

**Bankers**

HSBC Bank Plc  
Dartford  
Kent  
DA1 1DG

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**Strategic report**  
**For the year ended 30 April 2022**

**Introduction**

The Directors present the strategic report for the year ended 30 April 2022.

The current Directors were appointed subsequent to the acquisition of the Company by Soris Acquisition Limited on 4th March 2022. Therefore, a significant portion of the period covered by this report was prior to the appointment of the current Board of Directors. Trading for the year followed long-term trends and the Directors are optimistic for the future of the Company.

**Business review**

During the year the Company reported revenue of £11.6m and EBITDA of £4.6m, respective increases of 15.6% and 18% compared to the prior financial year.

The Company views wholesaler water utility companies and a broad range of commercial customers as its two primary markets. Both market sectors outperformed the previous year. An increase in planned and reactive alternative water supply requirements, alongside a key new customer win, underpinned our wholesale water utility growth. Meanwhile, continued high levels of activity in the construction sector, combined with a return of festival and events work after the lifting of COVID-19 related restrictions, buoyed commercial business.

**Future developments**

The Company will seek to nurture deeper partnerships with new and existing customers to further the development of our products and services. We seek to be the primary alternative water supply partner for every wholesale water utility company and the leader in the commercial market for temporary supply. We will also continue to be a leading voice in education and awareness of water supply resilience and alternative water supply.

**Principal risks and uncertainties**

*Market and competition risk*

The Company is exposed to the risk that customers may seek to obtain alternative water supplies elsewhere. However, services offered by the business are diversified and the Directors are confident that the Company is innovating and adjusting to challenges to ensure its operations adapt.

*Staff retention and recruitment*

To recruit and retain staff, pay rates and benefits are periodically reviewed and adjusted to be market-leading. The Company simultaneously drives the implementation of cultural and training initiatives.

*Macro-economic pressures*

The Company is exposed to inflationary pressures in its cost base. To retain margins and attract customers, the business continues to innovate, review pricing and optimise processes and procedures.

*Financial risk management*

The Company's activities expose it to liquidity and cash flow risk. The Directors monitor these on a regular basis through cash flow modelling and forecasting.

**Strategic report (continued)**  
**For the year ended 30 April 2022**

*Reputational and compliance risk*

The supply of drinking water requires the Company to maintain the highest quality standards and comply with regulations and best-practice operating procedures. The Company has unique monitoring, control and assurance systems and ensures all its technicians are appropriately trained. More detail can be found at [water-direct.co.uk/quality-assurance/drinking-water-quality/](https://www.water-direct.co.uk/quality-assurance/drinking-water-quality/)

*Contract risk*

The Company has a number of guaranteed response contracts with customers. The Company regularly reviews staff and asset availability to ensure sufficient resources are available to meet our contractual obligations.

**Financial key performance indicators "KPIs"**

The management team have developed a wide range of metrics - both financial and non-financial - to monitor the performance of the business. The principal financial KPIs are sales, gross profit margin and EBITDA.

This report was approved by the board on 31 January 2023 and signed on its behalf.

**A T Johnson**  
Director

## **Water Direct Limited**

### **Directors' report For the year ended 30 April 2022**

The directors present their report and the financial statements for the year ended 30 April 2022.

#### **Principal activity**

The principal activity of the company is that of the provision and management of alternative water supply services.

#### **Results and dividends**

The profit for the year, after taxation, amounted to £3,016,341 (2021 - £2,584,811).

A dividend of £4,948,001 was paid during the year. The directors do not recommend payment of a final dividend.

#### **Directors**

The directors who served during the year were:

T L Heathcote (resigned 4 March 2022)  
J H West (resigned 4 March 2022)  
J C Cockburn (appointed 4 March 2022)  
R R Hernandez (appointed 4 March 2022)  
A T Johnson (appointed 4 March 2022)  
S B Llanos (appointed 4 March 2022)  
A P Smith (appointed 4 March 2022)  
P A Wittet (appointed 4 March 2022)

#### **Future developments**

Please refer to the Strategic report for future developments.

#### **Disclosure of information to auditors**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

#### **Post balance sheet events**

There have been no significant events affecting the Company since the year end.

#### **Auditors**

The auditors, Kreston Reeves LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 31 January 2023 and signed on its behalf.

A T Johnson  
Director

**Directors' responsibilities statement**  
**For the year ended 30 April 2022**

The directors are responsible for preparing the Strategic report, the Directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments 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 to 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.

**Independent auditors' report to the members of Water Direct Limited**

**Opinion**

We have audited the financial statements of Water Direct Limited (the 'Company') for the year ended 30 April 2022, which comprise the Statement of income and retained earnings, the Balance sheet and the related notes, 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 Financial Reporting Standard 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 April 2022 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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

**Other information**

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' report thereon. The directors are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.



**Independent auditors' report to the members of Water Direct Limited (continued)**

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the 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.

**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 or the Directors' report.

We have nothing to report in respect of the following matters in relation to which 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 set out on page 4, 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.

**Independent auditors' report to the members of Water Direct Limited (continued)**

**Auditors' 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 Auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

**Capability of the audit in detecting irregularities, including fraud**

Based on our understanding of the company and industry, and through discussion with the directors and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to health and safety, anti-bribery and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, Statement of Recommended Practice, taxation and pension legislation. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to management override. Audit procedures performed by the engagement team:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety) and fraud;
- Assessment of identified fraud risk factors;
- Challenging assumptions and judgments made by management in its significant accounting estimates;
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Physical inspection of tangible fixed assets susceptible to fraud or irregularity; and
- Identifying and testing journal entries, in particular any manual entries made at the year end for financial statement preparation.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

**Independent auditors' report to the members of Water Direct Limited (continued)**

**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 Auditors' 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.

Samantha Rouse FCCA DChA (Senior statutory auditor)

for and on behalf of

**Kreston Reeves LLP**

Chartered Accountants

Statutory Auditor

Canterbury

31 January 2023

**Statement of income and retained earnings**  
**For the year ended 30 April 2022**

	<b>Note</b>	<b>2022</b> <b>£</b>	<b>2021</b> <b>£</b>
Turnover	4	11,563,079	10,006,134
Cost of sales		(6,234,856)	(4,614,314)
<b>Gross profit</b>		<b>5,328,223</b>	<b>5,391,820</b>
Administrative expenses		(1,726,284)	(2,166,239)
Other operating income		102,558	-
<b>Operating profit</b>	6	<b>3,704,497</b>	<b>3,225,581</b>
Interest receivable and similar income	9	25,557	30,526
Interest payable and similar expenses	10	(39,610)	(59,621)
<b>Profit before tax</b>		<b>3,690,444</b>	<b>3,196,486</b>
Tax on profit	11	(674,103)	(611,675)
<b>Profit after tax</b>		<b>3,016,341</b>	<b>2,584,811</b>
Retained earnings at the beginning of the year		3,996,785	5,649,474
		3,996,785	5,649,474
Profit for the year		3,016,341	2,584,811
Dividends declared and paid		(4,948,001)	(4,237,500)
<b>Retained earnings at the end of the year</b>		<b>2,065,125</b>	<b>3,996,785</b>

The notes on pages 11 to 24 form part of these financial statements.

**Balance sheet**  
**As at 30 April 2022**

	<b>Note</b>	<b>2022</b> <b>£</b>	<b>2021</b> <b>£</b>
<b>Fixed assets</b>			
Tangible assets	13	<u>1,368,490</u>	<u>3,083,526</u>
		<b>1,368,490</b>	<b>3,083,526</b>
<b>Current assets</b>			
Stocks		127,791	125,540
Debtors	14	2,764,901	3,074,549
Cash at bank and in hand	15	<u>1,685,307</u>	<u>1,367,057</u>
		<b>4,577,999</b>	<b>4,567,146</b>
Creditors: amounts falling due within one year	16	<u>(3,591,334)</u>	<u>(2,385,668)</u>
<b>Net current assets</b>		<u><b>986,665</b></u>	<u><b>2,181,478</b></u>
<b>Total assets less current liabilities</b>		<u><b>2,355,155</b></u>	<u><b>5,265,004</b></u>
Creditors: amounts falling due after more than one year	17	<u>(288,530)</u>	<u>(1,266,719)</u>
<b>Net assets</b>		<u><u><b>2,066,625</b></u></u>	<u><u><b>3,998,285</b></u></u>
<b>Capital and reserves</b>			
Called up share capital	21	1,500	1,500
Profit and loss account		<u>2,065,125</u>	<u>3,996,785</u>
		<u><u><b>2,066,625</b></u></u>	<u><u><b>3,998,285</b></u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 31 January 2023.

**A T Johnson**  
Director

The notes on pages 11 to 24 form part of these financial statements.

**Notes to the financial statements**  
**For the year ended 30 April 2022**

**1. General information**

Water Direct Limited is a private company limited by shares and is incorporated in England and Wales with the registration number 03806395. The address of the registered office is The Victor Building, Earls Colne Business Park, Earls Colne, Colchester, CO6 2NS.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The company's functional and presentational currency is Pounds Sterling.

The company's financial statements are presented to the nearest Pound.

The following principal accounting policies have been applied:

**2.2 Financial Reporting Standard 102 - reduced disclosure exemptions**

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Soris Acquisition Ltd as at 30 April 2022 and these financial statements may be obtained from The Victor Building, Earls Colne Business Park, Earls Colne, Colchester, CO6 2NS.

**Notes to the financial statements**  
**For the year ended 30 April 2022**

**2. Accounting policies (continued)**

**2.3 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

**Sale of goods**

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

**Rendering of services**

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

**2.4 Operating leases: the Company as lessee**

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

**2.5 Leased assets: the Company as lessee**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

**2.6 Borrowing costs**

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

**Notes to the financial statements**  
**For the year ended 30 April 2022**

**2. Accounting policies (continued)**

**2.7 Pensions**

**Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

**2.8 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and 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 balance sheet date in the countries where the Company operates and generates income.

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

- The recognition of deferred tax assets is limited to the extent that it 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 tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**2.9 Tangible fixed assets**

Tangible fixed assets under the cost model 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.



**Notes to the financial statements**  
**For the year ended 30 April 2022**

**2. Accounting policies (continued)**

**2.9 Tangible fixed assets (continued)**

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Land and buildings Leasehold	-	20%	
Plant and machinery	-	10%	-20%
Motor vehicles	-	10%	-50%
Fixtures and fittings	-	33%	
Computer equipment	-	33%	

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

**2.10 Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

**2.11 Debtors**

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.12 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**2.13 Creditors**

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**Notes to the financial statements**  
**For the year ended 30 April 2022**

**2. Accounting policies (continued)**

**2.14 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

**2.15 Financial instruments**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of income and retained earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an 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.

**2.16 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 at an annual general meeting.

**Notes to the financial statements**  
**For the year ended 30 April 2022**

**3. Judgments in applying accounting policies and key sources of estimation uncertainty**

The preparation of the financial statements requires the directors to make judgements, estimates and assumptions that can affect the amounts reported for assets and liabilities, and the results for the year. The nature of estimation is such that actual outcomes could differ significantly from those estimates.

The following judgements have had the most significant impact on amounts recognised in the financial statements:

**Lease commitments**

The company has entered into a range of lease commitments in respect of property, plant and equipment. The classification of these leases as either financial or operating leases requires the directors to consider whether the terms and conditions of each lease are such that the company has acquired the risks and rewards associated with the ownership of the underlying assets.

The following are the company's key sources of estimation uncertainty:

**Taxation**

Provision has been made in the financial statements for deferred tax amounting to £144,345 at the reporting date (see note 20).

This provision is based upon estimates of the availability of future taxable profits, the timing of the reversal of timing differences upon which the provision is based and the tax rates that will be in force at that time together with an assessment of the impact of future tax planning strategies.

**4. Turnover**

The whole of the turnover is attributable to the principal activity of the company.

All turnover arose within the United Kingdom.

**5. Other operating income**

	2022 £	2021 £
Other operating income	102,558	-
	<u>102,558</u>	<u>-</u>

**6. Operating profit**

The operating profit is stated after charging:

	2022 £	2021 £
Other operating lease rentals	253,947	239,909
	<u>253,947</u>	<u>239,909</u>

**Notes to the financial statements**  
**For the year ended 30 April 2022**

**7. Auditors' remuneration**

During the year, the Company obtained the following services from the Company's auditors:

	<b>2022</b>	2021
	<b>£</b>	£
Fees payable to the Company's auditors for the audit of the Company's financial statements	<b>8,750</b>	4,825

The Company has taken advantage of the exemption not to disclose amounts paid for non-audit services as these are disclosed in the consolidated accounts of the parent Company.

**8. Employees**

Staff costs were as follows:

	<b>2022</b>	2021
	<b>£</b>	£
Wages and salaries	<b>2,335,067</b>	1,967,353
Social security costs	<b>273,397</b>	222,195
Cost of defined contribution scheme	<b>62,850</b>	54,931
	<b><u>2,671,314</u></b>	<u>2,244,479</u>

The average monthly number of employees, including the directors, during the year was as follows:

	<b>2022</b>	2021
	<b>No.</b>	No.
Employees	<b>53</b>	50
Directors	<b>6</b>	2
	<b><u>59</u></b>	<u>52</u>

**9. Interest receivable**

	<b>2022</b>	2021
	<b>£</b>	£
Other interest receivable	<b>25,557</b>	30,526
	<b><u>25,557</u></b>	<u>30,526</u>

**Notes to the financial statements**  
**For the year ended 30 April 2022**

**10. Interest payable and similar expenses**

	<b>2022</b>	2021
	<b>£</b>	£
Bank interest payable	13,057	15,434
Other loan interest payable	-	3,131
Finance leases and hire purchase contracts	26,553	41,056
	<u>39,610</u>	<u>59,621</u>

**11. Taxation**

	<b>2022</b>	2021
	<b>£</b>	£
<b>Corporation tax</b>		
Current tax on profits for the year	785,139	671,922
	<u>785,139</u>	<u>671,922</u>
<b>Total current tax</b>	<u>785,139</u>	<u>671,922</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(100,517)	(60,247)
Changes to tax rates	(10,519)	-
<b>Total deferred tax</b>	<u>(111,036)</u>	<u>(60,247)</u>
<b>Taxation on profit on ordinary activities</b>	<u>674,103</u>	<u>611,675</u>

**Notes to the financial statements**  
**For the year ended 30 April 2022**

**11. Taxation (continued)**

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2021 - higher than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	<b>2022</b>	2021
	<b>£</b>	£
Profit on ordinary activities before tax	<u><b>3,690,444</b></u>	<u>3,196,486</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	<b>701,184</b>	607,332
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	<b>1,677</b>	3,567
Fixed asset differences	<b>(3,172)</b>	776
Remeasurement of deferred tax for changes in tax rates	<b>(25,586)</b>	-
<b>Total tax charge for the year</b>	<u><b>674,103</b></u>	<u>611,675</u>

**Factors that may affect future tax charges**

The main rate of corporation tax is due to increase on 1 April 2023 to 25%, for companies with taxable profits above £250,000. Companies with taxable profits below £50,000 will continue to pay at 19%, and marginal relief will apply between these thresholds. This change formed part of The Finance Bill 2021, which was substantively enacted on 24 May 2021, and is applicable at the reporting date.

Deferred taxes have been measured using rates substantively enacted at the reporting date and reflected in these financial statements.

**12. Dividends**

	<b>2022</b>	2021
	<b>£</b>	£
Dividends	<u><b>4,948,001</b></u>	<u>4,237,500</u>
	<u><b>4,948,001</b></u>	<u>4,237,500</u>

**Notes to the financial statements**  
**For the year ended 30 April 2022**

**13. Tangible fixed assets**

	Freehold property £	Plant and machinery £	Motor vehicles £	Office equipment £	Total £
<b>Cost or valuation</b>					
At 1 May 2021	1,105,113	1,051,765	3,231,501	52,136	5,440,515
Additions	-	22,558	18,201	6,076	46,835
Disposals	(895,782)	(1,720)	(108,143)	-	(1,005,645)
At 30 April 2022	<u>209,331</u>	<u>1,072,603</u>	<u>3,141,559</u>	<u>58,212</u>	<u>4,481,705</u>
<b>Depreciation</b>					
At 1 May 2021	98,609	555,489	1,674,789	28,102	2,356,989
Charge for the year on owned assets	40,735	126,844	103,997	13,922	285,498
Charge for the year on financed assets	-	43,800	527,466	-	571,266
Disposals	-	(781)	(99,757)	-	(100,538)
At 30 April 2022	<u>139,344</u>	<u>725,352</u>	<u>2,206,495</u>	<u>42,024</u>	<u>3,113,215</u>
<b>Net book value</b>					
At 30 April 2022	<u>69,987</u>	<u>347,251</u>	<u>935,064</u>	<u>16,188</u>	<u>1,368,490</u>
<b>At 30 April 2021</b>	<u>1,006,504</u>	<u>496,276</u>	<u>1,556,712</u>	<u>24,034</u>	<u>3,083,526</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2022 £	2021 £
Plant and machinery	55,966	99,766
Motor vehicles	777,829	1,323,295
	<u>833,795</u>	<u>1,423,061</u>

**Notes to the financial statements**  
**For the year ended 30 April 2022**

**14. Debtors**

	2022 £	2021 £
<b>Due after more than one year</b>		
Amounts due from companies under common control	-	1,409,000
	-	1,409,000
<b>Due within one year</b>		
Trade debtors	1,736,128	586,609
Other debtors	200	9,605
Prepayments and accrued income	884,228	1,036,026
Deferred taxation	144,345	33,309
	<u>2,764,901</u>	<u>3,074,549</u>

**15. Cash and cash equivalents**

	2022 £	2021 £
Cash at bank and in hand	1,685,307	1,367,057
	<u>1,685,307</u>	<u>1,367,057</u>

**16. Creditors: Amounts falling due within one year**

	2022 £	2021 £
Bank loans	-	45,122
Trade creditors	622,392	293,142
Amounts owed to group undertakings	391,251	29,346
Corporation tax	466,708	384,569
Other taxation and social security	598,196	484,183
Obligations under finance lease and hire purchase contracts	473,234	660,773
Other creditors	459,754	50,558
Accruals and deferred income	579,799	437,975
	<u>3,591,334</u>	<u>2,385,668</u>



**Notes to the financial statements**  
**For the year ended 30 April 2022**

**17. Creditors: Amounts falling due after more than one year**

	2022 £	2021 £
Bank loans	-	512,817
Net obligations under finance leases and hire purchase contracts	<b>288,530</b>	753,902
	<b><u>288,530</u></b>	<b><u>1,266,719</u></b>

**18. Loans**

Analysis of the maturity of loans is given below:

	2022 £	2021 £
<b>Amounts falling due within one year</b>		
Bank loans	-	45,122
	<u>-</u>	<u>45,122</u>
<b>Amounts falling due 1-2 years</b>		
Bank loans	-	45,123
	<u>-</u>	<u>45,123</u>
<b>Amounts falling due 2-5 years</b>		
Bank loans	-	135,367
	<u>-</u>	<u>135,367</u>
<b>Amounts falling due after more than 5 years</b>		
Bank loans	-	332,327
	<u>-</u>	<u>332,327</u>
	<u>-</u>	<u>557,939</u>

**19. Hire purchase and finance leases**

Minimum lease payments under hire purchase fall due as follows:

	2022 £	2021 £
Within one year	<b>473,234</b>	660,773
Between 1-5 years	<b>288,530</b>	753,902
	<b><u>761,764</u></b>	<b><u>1,414,675</u></b>

**Notes to the financial statements**  
**For the year ended 30 April 2022**

**20. Deferred taxation**

	2022 £
At beginning of year	33,309
Charged to profit or loss	111,036
<b>At end of year</b>	<b>144,345</b>

The deferred tax asset is made up as follows:

	2022 £	2021 £
Accelerated capital allowances	144,345	33,309
	<b>144,345</b>	<b>33,309</b>

**21. Share capital**

	2022 £	2021 £
<b>Allotted, called up and fully paid</b>		
1,500 (2021 - 1,500) Ordinary class shares of £1.00 each	1,500	1,500

**22. Pension commitments**

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £62,850 (2021: £54,931). Contributions totaling £10,387 (2021: £8,924) were payable to the fund at the balance sheet date and are included in creditors.

**23. Commitments under operating leases**

At 30 April 2022 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022 £	2021 £
Not later than 1 year	315,000	225,000
Later than 1 year and not later than 5 years	1,230,991	850,000
Later than 5 years	218,750	750,000
	<b>1,764,741</b>	<b>1,825,000</b>

**Notes to the financial statements**  
**For the year ended 30 April 2022**

**24. Related party transactions**

The company is exempt from disclosing related party transactions with other companies that are wholly owned within the group. On the 4 March 2022 Water Direct Limited was acquired by Soris Acquisition Ltd.

	<b>2022</b>	2021
	<b>£</b>	£
Loans to companies under common control	-	1,409,000
Trade creditors owed to companies under common control	-	9,605
Interest charged on to companies under common control	<b>25,494</b>	29,735
Sale to companies under common control	<b>650</b>	33,933
Purchases from companies under common control	-	280
Purchases from entities of which the entity has control, joint control or significant interest	<b>27,760</b>	-

**25. Controlling party**

Prior to 4 March 2022, Water Direct Limited was a wholly owned subsidiary of FGS Utilities Limited, the immediate parent company incorporated in England and Wales. The ultimate parent company was Heathcote Holdings Limited, a company also incorporated in England and Wales, which owns 100% of the share capital in FGS Utilities Limited.

The ultimate controlling party was T L Heathcote who is director of each of the above companies by virtue of his 80% shareholding in FGS Agri Limited.

On the 4th March 2022, the share capital of the company was purchased by Soris Acquisition Ltd, who then became the ultimate parent company, a company incorporated in England and Wales.

In the opinion of the directors there is no ultimate controlling party.

Water Direct Limited is included in the consolidated financial statements of Soris Acquisition Ltd which are available from The Victor Building, Earls Colne Business Park, Earls Colne, Colchester, Essex, CO6 2NS.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.