

Report and Unaudited Financial Statements

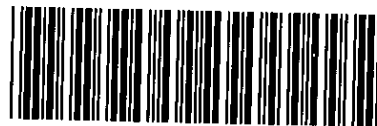
for the Year Ended 31 December 2020

for

Aqua Cure Limited

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Statement of Financial Position
31 December 2020

	Notes	2020 £	2019 £
FIXED ASSETS			
Intangible assets	5	442,904	628,359
Tangible assets	6	176,707	41,967
Investments	7	<u>271,726</u>	<u>271,726</u>
		<u>891,337</u>	<u>942,052</u>
CURRENT ASSETS			
Stocks	8	1,083,977	1,075,128
Debtors	9	3,629,129	3,151,622
Cash at bank and in hand		<u>531,851</u>	<u>578,210</u>
		5,244,957	4,804,960
CREDITORS			
Amounts falling due within one year	10	<u>(1,483,467)</u>	<u>(1,393,529)</u>
NET CURRENT ASSETS		<u>3,761,490</u>	<u>3,411,431</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		4,652,827	4,353,483
PROVISIONS FOR LIABILITIES	12	<u>(154,939)</u>	<u>(147,785)</u>
NET ASSETS		<u>4,497,888</u>	<u>4,205,698</u>
CAPITAL AND RESERVES			
Called up share capital	13	105,250	105,250
Share premium	14	108,377	108,377
Retained earnings	14	<u>4,284,261</u>	<u>3,992,071</u>
SHAREHOLDERS' FUNDS		<u>4,497,888</u>	<u>4,205,698</u>

The directors of the company have elected not to include a copy of the income statement within the financial statements.

For the financial year ended 31 December 2020 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

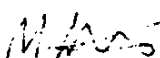
The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2020 in accordance with Section 476 of the Companies Act 2006.

The Directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the Board of Directors and authorised for issue on 27/09/2021 and were signed on its behalf by:


Mr D Paines - Director


Mr M Ryall - Director

The notes on following pages form part of these financial statements

Notes to the Financial Statements
for the Year Ended 31 December 2020

1. STATUTORY INFORMATION

Aqua Cure Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements have been prepared under the historical cost convention. The functional currency of the company is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates.

The following accounting policies have been applied consistently, in the current and preceding year.

Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for a minimum of 12 months from date of signing. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

As the world starts to recover from the COVID-19 crisis there is likely to be a continued but limited impact on the Company finances. Throughout 2020 the Company proved the robust nature of its business model with its ability to manage cash and flex the cost base as required whilst protecting the customer base.

Turnover

Turnover represents amounts invoiced in respect of the sale of water treatment products. Turnover is recognised at the point of delivery of goods and is stated exclusive of value added tax, trade discounts and rebates.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2011, is being amortised evenly over its estimated useful life of fifteen years.

Other intangible assets

Other intangible assets are stated at cost less amortisation and any provision for impairment.

Amortisation is provided on a straight line basis calculated to write off the cost of each class of asset over its anticipated useful economic life as follows:

Trade and domain names	- 10% on cost
Computer software	- 10% and 25% on cost

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation and any provision for impairment.

Depreciation is provided on a straight line basis calculated to write off the cost of each class of asset over its anticipated useful economic life as follows:

Plant and machinery	- 12.5% and 25% on cost
Fixtures & fittings	- 10% and 20% on cost
Computers equipment	- 25% on cost
Motor vehicles	- 25% on cost

Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

The Company received a discretionary cash grant of £112,302 (2019: nil) from the government as part of the Coronavirus Job Retention Scheme (CJRS) which compensates employers for part of the wages, associated national insurance contributions (NICs) and employer pension contributions of employees who have been placed on furlough (i.e placed on a temporary leave of absence from working for the employer). The grant is conditional upon the employees being employed and on the Company PAYE payroll and the employee is not able to do any work for their employer that makes money or provides services for their employer or any organisation linked or associated with their employer. There are no unfulfilled conditions or contingences attached to the grant.

This is recognised in Other income in the Statement of Comprehensive Income.

Investments in subsidiaries

Investments in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

Investments in subsidiaries are assessed for impairment at each reporting date. Any impairment losses or reversals of impairment losses are recognised immediately in the Income Statement.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making allowance for obsolete and slow moving items. In determining the cost of finished goods and goods for resale, the average purchase price is used.

Net realisable value is based on estimated selling price less all anticipated costs of disposal.

Financial Instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs). Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

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

Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the Statement of Financial Position date.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

2. ACCOUNTING POLICIES - continued

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the Statement of Financial Position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the Statement of Financial Position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Leases

Assets held under finance leases, hire purchase contracts and other similar arrangements, which confer the rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets at the fair value of the leased assets (or, if lower, the present value of the minimum lease payments as determined at the inception of the lease) and are depreciated over the shorter of the lease terms and their useful lives. The capital element of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the lease to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals under operating leases are charged on a straight line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight line basis over the period of the term.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was as follows:

	2020	2019
Production and warehousing	15	16
Sales and marketing	16	17
Administration	<u>7</u>	<u>8</u>
	<u>38</u>	<u>41</u>

4. INTEREST RECEIVABLE AND SIMILAR INCOME

	2020 £	2019 £
Deposit account interest	62	297
Interest on tax refund	1,040	654
Interest from fellow subsidiary loan	<u>43,449</u>	<u>38,919</u>
	<u>44,551</u>	<u>39,870</u>

5. INTANGIBLE FIXED ASSETS

	Goodwill £	Trade & domain names £	Computer software £	Totals £
COST				
At 1 January 2020	2,646,973	11,715	186,388	2,845,076
Additions	-	-	<u>38,785</u>	<u>38,785</u>
At 31 December 2020	<u>2,646,973</u>	<u>11,715</u>	<u>225,173</u>	<u>2,883,861</u>
AMORTISATION				
At 1 January 2020	2,068,689	9,702	138,326	2,216,717
Amortisation for year	<u>176,460</u>	<u>1,176</u>	<u>46,604</u>	<u>224,240</u>
At 31 December 2020	<u>2,245,149</u>	<u>10,878</u>	<u>184,930</u>	<u>2,440,957</u>
NET BOOK VALUE				
At 31 December 2020	<u>401,824</u>	<u>837</u>	<u>40,243</u>	<u>442,904</u>
At 31 December 2019	578,284	2,013	48,062	628,359

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

6. TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 January 2020	234,415	16,998	11,889	85,816	349,118
Additions	37,035	87,042	-	30,135	154,212
Disposals	(2,796)	-	-	(18,355)	(21,151)
At 31 December 2020	<u>268,654</u>	<u>104,040</u>	<u>11,889</u>	<u>97,596</u>	<u>482,179</u>
DEPRECIATION					
At 1 January 2020	213,648	9,788	6,396	77,319	307,151
Charge for year	4,986	6,650	2,748	5,088	19,472
Eliminated on disposal	(2,796)	-	-	(18,355)	(21,151)
At 31 December 2020	<u>215,838</u>	<u>16,438</u>	<u>9,144</u>	<u>64,052</u>	<u>305,472</u>
NET BOOK VALUE					
At 31 December 2020	<u>52,816</u>	<u>87,602</u>	<u>2,745</u>	<u>33,544</u>	<u>176,707</u>
At 31 December 2019	<u>20,767</u>	<u>7,210</u>	<u>5,493</u>	<u>8,497</u>	<u>41,967</u>

7. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 January 2020 and 31 December 2020	<u>271,726</u>
NET BOOK VALUE	
At 31 December 2020	<u>271,726</u>
At 31 December 2019	<u>271,726</u>

The company's investments at the Statement of Financial Position date in the share capital of companies include the following:

Pelican Technical Solutions Limited
Registered office: Aqua Cure House, Hall Street, Southport PR9 0SE
Nature of business: Dormant

	% holding	2020 £	2019 £
Class of shares:			
Ordinary shares	100.00		
Aggregate capital and reserves		<u>1</u>	<u>1</u>

Andrews Water Treatment Limited
Registered office: Aqua Cure House, Hall Street, Southport PR9 0SE
Nature of business: Water treatment supplies

	% holding	2020 £	2019 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		<u>37,242</u>	<u>23,520</u>
Profit for the year		<u>13,722</u>	<u>6,056</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

7. FIXED ASSET INVESTMENTS - continued

Aqua Cure (Scotland) Limited

Registered office: Lawgrove Studio, Lawgrove Place, Inveralmond Industrial Estate, Perth PH1 3AQ

Nature of business: Water treatment supplies

Class of shares:	% holding		
Ordinary	100.00		
		2020	2019
		£	£
Aggregate capital and reserves		267,443	227,712
Profit for the year		<u>39,731</u>	<u>53,531</u>

8. STOCKS

	2020	2019
	£	£
Finished goods	<u>1,083,977</u>	<u>1,075,128</u>

There is no material difference between the balance sheet value of stocks and their replacement cost.

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Trade debtors	626,974	606,293
Amounts owed by group undertakings	2,924,440	2,478,859
Deferred tax asset	-	23,788
Prepayments and accrued income	<u>77,715</u>	<u>42,682</u>
	<u>3,629,129</u>	<u>3,151,622</u>

Deferred tax asset

	2019
	£
Accelerated capital allowances	(4,725)
Other timing differences	<u>28,513</u>
	<u>23,788</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Trade creditors	1,033,003	927,557
Amounts owed to group undertakings	42,410	56,528
Corporation tax	139,154	109,797
Social security and other taxes	103,903	31,974
VAT	44,362	74,346
Other creditors	2,281	2,281
Accrued expenses	<u>118,354</u>	<u>191,046</u>
	<u>1,483,467</u>	<u>1,393,529</u>

11. OPERATING LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2020	2019
	£	£
Within one year	176,191	57,368
Between one and five years	<u>612,869</u>	<u>112,462</u>
	<u>789,060</u>	<u>169,830</u>

On 14 December 2020, the company moved into new premises which have been secured by a 5 year lease. Included in the above total is a sum of £110,000 which relates to the previous trading premises. This commitment is included in the onerous lease provision at note 12.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

12. PROVISIONS FOR LIABILITIES

	2020 £	2019 £
Deferred tax		
Accelerated capital allowances	30,655	-
Other timing differences	(29,689)	-
Other provisions	<u>153,973</u>	<u>147,785</u>
	<u>154,939</u>	<u>147,785</u>
	Deferred tax	Onerous Property Lease
	£	£
Balance at 1 January 2020	(23,788)	147,785
Charge to Statement of Comprehensive Income during year	24,754	26,187
Utilised during year	-	<u>(19,999)</u>
Balance at 31 December 2020	<u>966</u>	<u>153,973</u>

The onerous lease provision relates to two properties that company vacated on 14 December 2020, following the move to new premises. The company retains lease obligations for these vacant properties until 12 November 2023, along with responsibility for utilities and maintenance costs. The total provision of £153,973 (2020: £147,785) represents the estimated NPV of all future cashflows, in relation to these lease commitments, which remain under annual review and re-assessment.

13. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid: Number:	Class:	Nominal value: £1	2020 £	2019 £
105,250	Ordinary shares		<u>105,250</u>	<u>105,250</u>

14. RESERVES

	Retained earnings £	Share premium £	Totals £
At 1 January 2020	3,992,071	108,377	4,100,448
Profit for the year	<u>292,190</u>		<u>292,190</u>
At 31 December 2020	<u>4,284,261</u>	<u>108,377</u>	<u>4,392,638</u>

15. PENSION COMMITMENTS

The company operates a number of defined contribution pension schemes for the benefit of certain employees. The assets of the schemes are held separately from those of the company in an independently administered fund.

The total pension cost charged to the profit and loss account in the year was £72,030 (2019: £75,866). At the balance sheet date pension contributions of £2,281 (2019: £2,281) were outstanding.

16. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemptions provided by paragraph 1AC.35 of FRS 102 'Related Party Disclosures' and has not disclosed transactions entered into between two or more members of a Group, provided that any subsidiary undertaking which is party to the transactions is wholly-owned by a member of that Group.

17. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is EPIC 1-b Fund, managed by Castik Capital S.à.r.l, a company incorporated in Luxembourg. Castik Capital S.à.r.l has its registered office at 1, Route d'Esch, L-1470, Luxembourg.

The immediate parent company is Waterlogic Limited, a company incorporated in Jersey. Its address is IFG House, 15 Union Street, St Helier, Jersey, Channel Islands JE1 1FG.

The parent of the smallest and largest group preparing consolidated financial statements including the results of the company is Waterlogic Group Holdings Limited, a company incorporated in England and Wales. Group financial statements can be obtained from: 1 Grenfell Road, Maidenhead, Berkshire, SL6 1HN.