

Company registration number 09208285 (England and Wales)

HYDRO-X GROUP LIMITED
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2022



HYDRO-X GROUP LIMITED

COMPANY INFORMATION

Directors	A P Dacre A T Councill P E Greenwood	(Appointed 13 October 2021) (Appointed 13 October 2021) (Appointed 13 October 2021)
Company number	09208285	
Registered office	20 Grosvenor Place London SW1X 7HN	

HYDRO-X GROUP LIMITED

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HYDRO-X GROUP LIMITED

STRATEGIC REPORT

FOR THE PERIOD ENDED 31 MARCH 2022

The directors present the strategic report for the period ended 31 March 2022.

Key performance indicators

The Company is a holding company and does not trade. Therefore, no meaningful key performance statistics exists to evaluate performance.

Risks and risk management

The Company's predominant exposure to financial risk relate to:

- i. The possible impairment in carrying value of its investment in subsidiaries. The directors monitor the performance of the subsidiaries regularly and are satisfied no impairment is required.
- ii. Liquidity risk in relation to borrowings from group companies. This is mitigated by treasury management from its parent, Marlowe plc, which ensures subsidiaries of the Group continue to operate effectively within its existing bank facilities through regular monitoring of working capital requirements.


Going concern

Details of matters relevant to the director's assessment of the application of the going concern basis are given in note 1.2 to the financial statements.

Group performance

Full details of the performance of the group for the year ended period ended 31 March 2022 can be found in the financial statements of Marlowe plc.

On behalf of the board



A P Dacre
Director

Date: 11/11/2022

HYDRO-X GROUP LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 MARCH 2022

The directors present their annual report and financial statements for the period ended 31 March 2022.

Principal activities

The principal activity of the company continued to be that of a holding company.

The company was acquired by WCS Environmental Limited on 13 October 2021.

Results and dividends

The results for the period are set out on page 3.

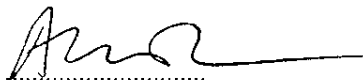
No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Directors

The directors who held office during the period and up to the date of signature of the financial statements were as follows:

A P Dacre	(Appointed 13 October 2021)
A T Councill	(Appointed 13 October 2021)
P E Greenwood	(Appointed 13 October 2021)
R E Sanderson	(Resigned 13 October 2021)
J Greaves	(Resigned 13 October 2021)
R Lee	(Resigned 13 October 2021)
G M B Rowley	(Resigned 13 October 2021)
M A Adams	(Appointed 13 October 2021 and resigned 5 November 2021)

On behalf of the board



A P Dacre
Director

Date: 11/11/2022

HYDRO-X GROUP LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 31 MARCH 2022

		Period ended 31 March 2022 £	Year ended 30 September 2020 £
Administrative expenses	Notes	(26)	(1,695)
Interest receivable and similar income	4	-	470,000
Interest payable and similar expenses	5	-	(14,175)
(Loss)/profit before taxation		(26)	454,130
Tax on (loss)/profit	6	(35)	3,416
(Loss)/profit for the financial period		<u>(61)</u>	<u>457,546</u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

HYDRO-X GROUP LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 31 MARCH 2022

	Period ended 31 March 2022 £	Year ended 30 September 2020 £
(Loss)/profit for the period	(61)	457,546
Other comprehensive income	-	-
Total comprehensive income for the period	<u>(61)</u>	<u>457,546</u>

HYDRO-X GROUP LIMITED

BALANCE SHEET

AS AT 31 MARCH 2022

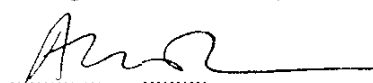
	Notes	2022		2020	
		£	£	£	£
Fixed assets					
Investments	8		3,426,662		3,426,662
Current assets			-		-
Creditors: amounts falling due within one year	10	(2,328,197)		(2,328,136)	
Net current liabilities			(2,328,197)		(2,328,136)
Net assets			1,098,465		1,098,526
Capital and reserves					
Called up share capital	11		5,602		5,602
Share premium account			787,061		787,061
Profit and loss reserves			305,802		305,863
Total equity			1,098,465		1,098,526

For the financial period ended 31 March 2022 the company was entitled to exemption from audit under section 479A 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.

The members have not required the company to obtain an audit of its financial statements for the period in question in accordance with section 476.

The financial statements were approved by the board of directors and authorised for issue on 11/01/2022 and are signed on its behalf by:



A P Dacre
Director

Company Registration No. 09208285

HYDRO-X GROUP LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 31 MARCH 2022

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Balance at 1 October 2019		5,602	787,061	318,317	1,110,980
Year ended 30 September 2020:					
Profit and total comprehensive income for the year		-	-	457,546	457,546
Dividends	7	-	-	(470,000)	(470,000)
Balance at 30 September 2020		5,602	787,061	305,863	1,098,526
Period ended 31 March 2022:					
Loss and total comprehensive income for the period		-	-	(61)	(61)
Balance at 31 March 2022		5,602	787,061	305,802	1,098,465

HYDRO-X GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

1 Accounting policies

Company information

Hydro-X Group Limited is a private company limited by shares incorporated in England and Wales. The registered office is 20 Grosvenor Place, London, SW1X 7HN.

1.1 Reporting period

The company's accounting reference date was extended from 30 September to make it coterminous with that of its parent, Marlowe plc. Its results are not therefore directly comparable with that of the prior year.

1.2 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: Interest income/expense and net gains/losses for financial instruments not measured at fair value; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

At 31 March 2022, the Company was a wholly-owned subsidiary of Marlowe plc, and has taken advantage of the available exemption conferred by section 33.1A of FRS 102 not to disclose transactions with other wholly-owned group members.

HYDRO-X GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.3 Going concern

The directors have considered the company's forecast cash flows, including downside scenarios reflecting the full financial impact of reasonably possible downside trading scenarios, including the impact of COVID-19 on the business.

Whilst the company saw some disruption from COVID-19 during the previous financial year, the impact was manageable and, given the regulations that govern the requirement for its essential services, the business model has demonstrated resilience. To mitigate against the additional risks and uncertainties that arose the company selectively used the government furlough scheme throughout the prior year. In the event of further disruption to the business in the future as a result of COVID-19 or an escalation of the Ukrainian crisis the directors are confident that additional cost reduction and cash preservation measures could be utilised in conjunction with the parent's, Marlowe plc, existing debt facility to reduce costs and preserve cash. The directors have received a letter of financial support from Marlowe plc for a period of at least twelve months from the date that these financial statements are signed. Following this review and a discussion of the sensitivities the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

1.4 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.5 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.6 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

HYDRO-X GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans and loans from fellow group companies are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

HYDRO-X GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.7 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.8 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

HYDRO-X GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2022

1 Accounting policies (Continued)

1.9 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.10 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Employees

The average monthly number of persons employed by the company during the period was:

	2022 Number	2020 Number
Total	-	-

4 Interest receivable and similar income

	2022 £	2020 £
Income from fixed asset investments		
Income from shares in group undertakings	-	470,000

5 Interest payable and similar expenses

	2022 £	2020 £
Other interest	-	14,175

HYDRO-X GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2022

6 Taxation

	2022 £	2020 £
Current tax		
UK corporation tax on profits for the current period	-	(3,416)
Adjustments in respect of prior periods	35	-
	<u>35</u>	<u>(3,416)</u>
Total current tax	<u>35</u>	<u>(3,416)</u>

The actual charge/(credit) for the period can be reconciled to the expected (credit)/charge for the period based on the profit or loss and the standard rate of tax as follows:

	2022 £	2020 £
(Loss)/profit before taxation	(26)	454,130
	<u>(26)</u>	<u>454,130</u>
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	(5)	86,285
Tax effect of expenses that are not deductible in determining taxable profit	5	3,015
Tax effect of income not taxable in determining taxable profit	-	(89,300)
Adjustments in respect of prior years	35	(3,416)
	<u>35</u>	<u>(3,416)</u>
Taxation charge/(credit) for the period	<u>35</u>	<u>(3,416)</u>

7 Dividends

	2022 £	2020 £
Final paid	-	470,000
	<u>-</u>	<u>470,000</u>

8 Fixed asset investments

	Notes	2022 £	2020 £
Investments in subsidiaries	9	3,426,662	3,426,662
		<u>3,426,662</u>	<u>3,426,662</u>

9 Subsidiaries

All companies are registered at Marlowe plc, 20 Grosvenor Place, London SW1X 7HN.

All companies were incorporated in England & Wales.

Details of the company's subsidiaries at 31 March 2022 are as follows:

HYDRO-X GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2022

9 Subsidiaries (Continued)

Name of undertaking	Principal activity	Class of shares held	% Held Direct
Hydro-Water Treatment Limited	Water Treatment	Ordinary	90.00
Hydro-X Air Limited	Air Treatment	Ordinary	60.00
Hydro-X Training Limited	Training	Ordinary	60.00
Hydro-X Engineering Limited	Engineering	Ordinary	60.00

10 Creditors: amounts falling due within one year

	2022 £	2020 £
Amounts owed to group undertakings	2,310,671	2,176,308
Corporation tax	-	1,697
Other creditors	3,671	136,276
Accruals and deferred income	13,855	13,855
	<u>2,328,197</u>	<u>2,328,136</u>

11 Share capital

	2022 Number	2020 Number	2022 £	2020 £
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	<u>5,602</u>	<u>5,602</u>	<u>5,602</u>	<u>5,602</u>

12 Financial commitments, guarantees and contingent liabilities

The company has fixed and floating charges over its assets and guaranteed certain borrowings of members of the Marlowe plc group. At the year end the contingent liability under the guarantee was £140 million.

13 Ultimate controlling party

The immediate parent company is WCS Environmental Limited and the ultimate parent company is Marlowe plc, whose registered office is 20 Grosvenor Place, London, England, SW1X 7HN. It is also the parent undertaking of the smallest and largest group of undertakings for which group accounts are drawn up of which the company is a member.