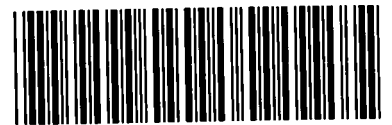


**REGISTERED NUMBER: 11039542 (England and Wales)**

**Group Strategic Report,  
Report of the Directors and  
Consolidated Financial Statements  
for the Year Ended 31 December 2019  
for  
Everflow Holdings Limited**

**WEDNESDAY**



**\*A9KIR4DS\***

**A40**

**23/12/2020**

**#295**

**COMPANIES HOUSE**

**Contents of the Consolidated Financial Statements  
for the Year Ended 31 December 2019**

	<b>Page</b>
<b>Company Information</b>	1
<b>Group Strategic Report</b>	2
<b>Report of the Directors</b>	4
<b>Report of the Independent Auditors</b>	6
<b>Consolidated Profit and Loss Account</b>	8
<b>Consolidated Other Comprehensive Income</b>	9
<b>Consolidated Balance Sheet</b>	10
<b>Company Balance Sheet</b>	11
<b>Consolidated Statement of Changes in Equity</b>	12
<b>Company Statement of Changes in Equity</b>	13
<b>Consolidated Cash Flow Statement</b>	14
<b>Notes to the Consolidated Cash Flow Statement</b>	15
<b>Notes to the Consolidated Financial Statements</b>	16

**Everflow Holdings Limited**  
**Company Information**  
**for the Year Ended 31 December 2019**

**DIRECTORS:** J Gill  
A E Straker  
J D Cleave  
P R Williams

**REGISTERED OFFICE:** Unit 4 Suite 2  
Wynyard Avenue  
Wynyard  
BILLINGHAM  
TS22 5TB

**REGISTERED NUMBER:** 11039542 (England and Wales)

**SENIOR STATUTORY AUDITOR:** Kevin Shotton BA BFP FCA

**AUDITORS:** Clive Owen LLP  
Chartered Accountants  
& Statutory Auditors  
140 Coniscliffe Road  
DARLINGTON  
County Durham  
DL3 7RT

**Everflow Holdings Limited (Registered number: 11039542)**

**Group Strategic Report  
for the Year Ended 31 December 2019**

The directors present their strategic report of the company and the group for the year ended 31 December 2019.

**REVIEW OF BUSINESS**

The directors are pleased with the exceptional performance of the business over the year to 31 December 2019. Turnover grew by 53% from £32.0m (12 month equivalent turnover) to £48.9m year on year as a result of the business' continued success in winning customers. The business achieved this growth whilst also increasing gross margin percentage from 7.1% to 7.3%. Headcount continues to grow as the business has further invested in staff, with average headcount growing from 15 to 45, with further recruitment taking place throughout 2020. EBITDA grew from £0.7m to £1.0m as a result of continued growth. The loss before tax reflects investment in the business to provide a platform for the next phase of growth.

The balance sheet has increased as a result of the continued growth of the business which has resulted in significant increases in all balance sheet items, particularly debtors (2019: £11.5m, 2018: £8.6m) and creditors (2019: £17.4m, 2018: £15.3m).

Post-year end, the company has, like the rest of the business community, had to contend with challenging trading conditions resulting from the global Covid-19 pandemic. The business was able to trade successfully through the pandemic, making use of banking facilities secured in early 2020 prior to the pandemic, and the business is now well-placed to continue to navigate the uncertain economic environment and to continue to grow and invest through the next year and beyond. The directors are confident in the continued prospects of the business, and anticipate a successful year in 2021.

**Group Strategic Report  
for the Year Ended 31 December 2019**

**PRINCIPAL RISKS AND UNCERTAINTIES**

The directors maintain a risk register to identify and manage the key risks for the business, which is reviewed on a quarterly basis to highlight changes that have occurred during the period, as well as to identify any new risks which affect the business' operations. The principal risks and uncertainties are as follows:

**Regulatory risk** - The business operates in a regulated environment, and is required to adhere to licence obligations and market codes, as well as wider regulations governing all businesses such as GDPR, competition and employment law. In order to manage this risk, the business has appointed experienced personnel with detailed knowledge of the requirements to comply with legislation. Detailed processes and policies ensure compliance with regulations is embedded within the business. The business also engages with third parties to supplement internal experience where it is deemed appropriate.

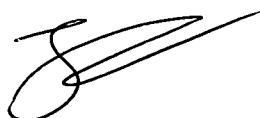
**Trading risk** - Key to the business' offering is maintaining high quality levels of service to retain customers and maintain strong relationships with other stakeholders. In order to manage this risk, the business monitors customer service performance on a regular basis, and has invested in additional resources and systems during the year to enhance the customer proposition.

**Liquidity risk** - The business' liquidity is dependent on managing the cash inflows from customers and cash outflows to wholesalers/ The business has a prudent policy of ensuring sufficient reserves are in place to enable continued liquidity and timely payment in line with market credit terms. The Covid-19 pandemic has created liquidity challenges for the company's end customers, which has had a knock-on effect on cash inflows to the business. Additional processes and controls have been implemented to provide further visibility of cash in and outflows to effectively manage the business' liquidity. The business also engages regularly with lenders and investors to ensure that further liquidity is accessible if required.

**Credit risk** - The risk of customers failing to pay bills impacts on liquidity and profitability. All new customers are credit-checked, and the debt position is reviewed on a daily basis to identify concerns and escalate collection activities where appropriate.

**Technology risk** - The group's operations are wholly dependent on operational and billing systems to facilitate the delivery of service to customers. In order to reduce the risk of system issues impacting on customers, the business uses cloud-based technologies, as well as recruiting individuals into the group with significant expertise in developing and maintaining systems to reduce the risk to an acceptable level.

**ON BEHALF OF THE BOARD:**



J D Cleave - Director

18 December 2020

**Everflow Holdings Limited (Registered number: 11039542)**

**Report of the Directors  
for the Year Ended 31 December 2019**

The directors present their report with the financial statements of the company and the group for the year ended 31 December 2019.

**PRINCIPAL ACTIVITY**

The principal activity of the group in the year under review was that of the supply of water and sewerage services.

**DIVIDENDS**

The total distribution of dividends for the year ended 31 December 2019 will be £268,732.

**FUTURE DEVELOPMENTS**

Going forward, the business is focussed on continuing to win new customers within the water retail market, implementing new solutions to automate more of the customer journey and deliver service improvements to customers, and increasing market share within the water retail and billing solutions market. The directors expect that growth will continue in line with current performance.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2019 to the date of this report.

J Gill  
A E Straker  
J D Cleave

Other changes in directors holding office are as follows:

P R Williams was appointed as a director after 31 December 2019 but prior to the date of this report.

**GOING CONCERN**

The directors have reviewed the company's forecasts and projections in detail on a monthly basis throughout the Covid-19 pandemic to ensure adequate resources are available to continue in operational existence for the foreseeable future. Despite multiple lockdowns impacting a significant proportion of the UK-wide economy, the business has been able to operate within existing facilities throughout the pandemic, and based on current forecasts and the state of the wider economy moving into 2021, the directors are confident that the business will have sufficient resources to continue to trade. The company therefore continues to adopt the going concern basis in preparing its financial statements.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Everflow Holdings Limited (Registered number: 11039542)**

**Report of the Directors  
for the Year Ended 31 December 2019**

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

**AUDITORS**

The auditors, Clive Owen LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

**ON BEHALF OF THE BOARD:**

A handwritten signature in black ink, appearing to be 'J.D. Cleave', written over a horizontal line.

J.D. Cleave - Director

18 December 2020

## **Report of the Independent Auditors to the Members of Everflow Holdings Limited**

### **Opinion**

We have audited the financial statements of Everflow Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2019 which comprise the Consolidated Profit and Loss Account, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, Notes to the Financial Statements, 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 group's and of the parent company affairs as at 31 December 2019 and of the group's loss 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 group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

### **Opinions 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 Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

**Report of the Independent Auditors to the Members of  
Everflow Holdings Limited**

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 Statement of Directors' Responsibilities set out on page four, 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 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

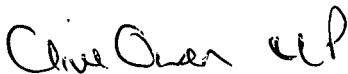
**Auditors' responsibilities for the audit of the financial statements**

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 a Report of the Auditors 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.

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 Report of the Auditors.

**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 a Report of the Auditors 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.



Kevin Shotton BA BFP FCA (Senior Statutory Auditor)  
for and on behalf of Clive Owen LLP  
Chartered Accountants  
& Statutory Auditors  
140 Coniscliffe Road  
DARLINGTON  
County Durham  
DL3 7RT

18 December 2020

Everflow Holdings Limited (Registered number: 11039542)

Consolidated Profit and Loss Account  
for the Year Ended 31 December 2019

	Notes	Year Ended 31.12.19 £	Period 31.10.17 to 31.12.18 as restated £
<b>TURNOVER</b>		48,857,105	31,967,166
Cost of sales		(45,338,288)	(29,710,660)
<b>GROSS PROFIT</b>		3,518,817	2,256,506
Administrative expenses		(4,096,711)	(2,636,791)
		(577,894)	(380,285)
Other operating income		183,071	-
<b>OPERATING LOSS</b>	4	(394,823)	(380,285)
Interest receivable and similar income		33,345	35,650
		(361,478)	(344,635)
Interest payable and similar expenses	5	(358,442)	(203,563)
<b>LOSS BEFORE TAXATION</b>		(719,920)	(548,198)
Tax on loss	6	12,408	99,755
<b>LOSS FOR THE FINANCIAL YEAR</b>		(707,512)	(448,443)
Loss attributable to: Owners of the parent		(707,512)	(448,443)

The notes form part of these financial statements

Everflow Holdings Limited (Registered number: 11039542)

Consolidated Other Comprehensive Income  
for the Year Ended 31 December 2019

	Notes	Year Ended 31.12.19 £	Period 31.10.17 to 31.12.18 as restated £
<b>LOSS FOR THE YEAR</b>		(707,512)	(448,443)
<b>OTHER COMPREHENSIVE INCOME</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>			<u>(448,443)</u>
Prior year adjustment	Note 9	<u>417,682</u>	
<b>TOTAL COMPREHENSIVE INCOME SINCE LAST ANNUAL REPORT</b>		<u>(289,830)</u>	
Total comprehensive income attributable to: Owners of the parent		<u>(289,830)</u>	<u>(448,443)</u>

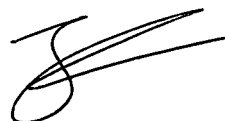
The notes form part of these financial statements

Everflow Holdings Limited (Registered number: 11039542)

Consolidated Balance Sheet  
31 December 2019

		2019		2018 as restated	
	Notes	£	£	£	£
<b>FIXED ASSETS</b>					
Intangible assets	10		6,982,595		6,859,278
Tangible assets	11		44,876		50,165
Investments	12		-		-
			<u>7,027,471</u>		<u>6,909,443</u>
<b>CURRENT ASSETS</b>					
Debtors	13	11,439,472		8,624,004	
Cash at bank		1,008,145		2,835,670	
		<u>12,447,617</u>		<u>11,459,674</u>	
<b>CREDITORS</b>					
Amounts falling due within one year	14	14,532,912		12,493,675	
			<u>(2,085,295)</u>		<u>(1,034,001)</u>
<b>NET CURRENT LIABILITIES</b>					
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
			<u>4,942,176</u>		<u>5,875,442</u>
<b>CREDITORS</b>					
Amounts falling due after more than one year	15		2,852,326		2,809,348
			<u>2,089,850</u>		<u>3,066,094</u>
<b>NET ASSETS</b>					
<b>CAPITAL AND RESERVES</b>					
Called up share capital	19		120		120
Share premium	20		3,712,630		3,712,630
Retained earnings	20		(1,622,900)		(646,656)
			<u>2,089,850</u>		<u>3,066,094</u>
<b>SHAREHOLDERS' FUNDS</b>					

The financial statements were approved by the Board of Directors and authorised for issue on 18 December 2020 and were signed on its behalf by:



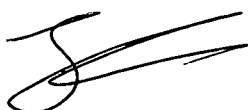
J D Cleave - Director

Everflow Holdings Limited (Registered number: 11039542)

Company Balance Sheet  
31 December 2019

	Notes	2019		2018 as restated	
		£	£	£	£
<b>FIXED ASSETS</b>					
Intangible assets	10		-		-
Tangible assets	11		-		-
Investments	12		9,187,916		6,187,916
			<u>9,187,916</u>		<u>6,187,916</u>
<b>CURRENT ASSETS</b>					
Debtors	13	70,954		1,235	
Cash at bank		275		20	
		<u>71,229</u>		<u>1,255</u>	
<b>CREDITORS</b>					
Amounts falling due within one year	14	2,500,890		2,460,149	
<b>NET CURRENT LIABILITIES</b>			<u>(2,429,661)</u>		<u>(2,458,894)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			6,758,255		3,729,022
<b>CREDITORS</b>					
Amounts falling due after more than one year	15		2,852,326		-
<b>NET ASSETS</b>			<u>3,905,929</u>		<u>3,729,022</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	19		120		120
Share premium			3,712,630		3,712,630
Retained earnings			193,179		16,272
<b>SHAREHOLDERS' FUNDS</b>			<u>3,905,929</u>		<u>3,729,022</u>
Company's profit for the financial year			<u>445,639</u>		<u>214,485</u>

The financial statements were approved by the Board of Directors and authorised for issue on 18 December 2020 and were signed on its behalf by:



J D Cleave - Director

Everflow Holdings Limited (Registered number: 11039542)

Consolidated Statement of Changes in Equity  
for the Year Ended 31 December 2019

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
<b>Changes in equity</b>				
Issue of share capital	120	-	3,712,630	3,712,750
Dividends	-	(198,213)	-	(198,213)
Total comprehensive income	-	(866,125)	-	(866,125)
<b>Balance at 31 December 2018</b>	<u>120</u>	<u>(1,064,338)</u>	<u>3,712,630</u>	<u>2,648,412</u>
Prior year adjustment	-	417,682	-	417,682
As restated	<u>120</u>	<u>(646,656)</u>	<u>3,712,630</u>	<u>3,066,094</u>
<b>Changes in equity</b>				
Dividends	-	(268,732)	-	(268,732)
Total comprehensive income	-	(707,512)	-	(707,512)
<b>Balance at 31 December 2019</b>	<u><u>120</u></u>	<u><u>(1,622,900)</u></u>	<u><u>3,712,630</u></u>	<u><u>2,089,850</u></u>

The notes form part of these financial statements

Everflow Holdings Limited (Registered number: 11039542)

Company Statement of Changes in Equity  
for the Year Ended 31 December 2019

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
<b>Changes in equity</b>				
Issue of share capital	120	-	3,712,630	3,712,750
Dividends	-	(198,213)	-	(198,213)
Total comprehensive income	-	214,485	-	214,485
<b>Balance at 31 December 2018</b>	<u>120</u>	<u>16,272</u>	<u>3,712,630</u>	<u>3,729,022</u>
<b>Changes in equity</b>				
Dividends	-	(268,732)	-	(268,732)
Total comprehensive income	-	445,639	-	445,639
<b>Balance at 31 December 2019</b>	<u>120</u>	<u>193,179</u>	<u>3,712,630</u>	<u>3,905,929</u>

The notes form part of these financial statements

Everflow Holdings Limited (Registered number: 11039542)

Consolidated Cash Flow Statement  
for the Year Ended 31 December 2019

	Notes	Year Ended 31.12.19 £	Period 31.10.17 to 31.12.18 as restated £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	272,660	3,763,903
Interest paid		(358,442)	(203,563)
Net cash from operating activities		<u>(85,782)</u>	<u>3,560,340</u>
<b>Cash flows from investing activities</b>			
Purchase of intangible fixed assets		(1,541,566)	(1,526,522)
Purchase of tangible fixed assets		(34,836)	(62,142)
Purchase of goodwill		-	(1,843,094)
Interest received		33,311	35,650
Net cash from investing activities		<u>(1,543,091)</u>	<u>(3,396,108)</u>
<b>Cash flows from financing activities</b>			
New loans in year		-	2,785,114
Amount introduced by directors		70,080	84,417
Share issue		-	120
Equity dividends paid		(268,732)	(198,213)
Net cash from financing activities		<u>(198,652)</u>	<u>2,671,438</u>
<b>(Decrease)/increase in cash and cash equivalents</b>		<u>(1,827,525)</u>	<u>2,835,670</u>
<b>Cash and cash equivalents at beginning of year</b>	2	2,835,670	-
<b>Cash and cash equivalents at end of year</b>	2	<u><u>1,008,145</u></u>	<u><u>2,835,670</u></u>

The notes form part of these financial statements

Everflow Holdings Limited (Registered number: 11039542)

Notes to the Consolidated Cash Flow Statement  
for the Year Ended 31 December 2019

1. RECONCILIATION OF LOSS BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	Year Ended 31.12.19	Period 31.10.17 to 31.12.18 as restated
	£	£
Loss before taxation	(719,920)	(548,198)
Loss on disposal of fixed assets	15,149	-
Depreciation and amortisation charges	1,343,225	1,054,745
Bank fees	-	24,234
Finance costs	358,442	203,563
Finance income	(33,345)	(35,650)
	<u>963,551</u>	<u>698,694</u>
Increase in trade and other debtors	(2,803,026)	(8,522,461)
Increase in trade and other creditors	<u>2,112,135</u>	<u>11,587,670</u>
<b>Cash generated from operations</b>	<u><u>272,660</u></u>	<u><u>3,763,903</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 December 2019

	31.12.19	1.1.19
	£	£
Cash and cash equivalents	<u>1,008,145</u>	<u>2,835,670</u>

Period ended 31 December 2018

	31.12.18	31.10.17 as restated
	£	£
Cash and cash equivalents	<u>2,835,670</u>	<u>-</u>

3. ANALYSIS OF CHANGES IN NET FUNDS/(DEBT)

	At 1.1.19	Cash flow	At 31.12.19
	£	£	£
<b>Net cash</b>			
Cash at bank	<u>2,835,670</u>	<u>(1,827,525)</u>	<u>1,008,145</u>
	<u>2,835,670</u>	<u>(1,827,525)</u>	<u>1,008,145</u>
<b>Debt</b>			
Debts falling due after 1 year	<u>(2,809,348)</u>	<u>(42,978)</u>	<u>(2,852,326)</u>
	<u>(2,809,348)</u>	<u>(42,978)</u>	<u>(2,852,326)</u>
<b>Total</b>	<u><u>26,322</u></u>	<u><u>(1,870,503)</u></u>	<u><u>(1,844,181)</u></u>

The notes form part of these financial statements

Notes to the Consolidated Financial Statements  
for the Year Ended 31 December 2019

1. STATUTORY INFORMATION

Everflow Holdings 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 General 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. The financial statements have been prepared under the historical cost convention.

There were no material departures from that standard.

The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous year, and also have been consistently applied within the same accounts.

**Going concern**

The directors have reviewed the company's forecasts and projections in detail on a monthly basis throughout the Covid-19 pandemic to ensure adequate resources are available to continue in operational existence for the foreseeable future. Despite multiple lockdowns impacting a significant proportion of the UK-wide economy, the business has been able to operate within existing facilities throughout the pandemic, and based on current forecasts and the state of the wider economy moving into 2021, the directors are confident that the business will have sufficient resources to continue to trade. The company therefore continues to adopt the going concern basis in preparing its financial statements.

**Basis of consolidation**

The consolidated financial statements presents the results of the Group and its own subsidiaries "the Group" as they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initial recognised at their fair values at the acquisition date. The results of the acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control was obtained. They are deconsolidated on the date control ceases.

**Related party exemption**

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2019

2. ACCOUNTING POLICIES - continued

**Significant judgements and estimates**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The basis of key estimates that management has considered in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

**Bad debt provision** - Provisions are made against the group's trade debtors based on historical experience of recoverability. The estimates made could differ to the amount subsequently recovered from these debtors, which impacts on operating results.

**Accrued income** - The group recognises revenues based on unbilled volumes and charges at each period end, based on historical market data. The estimates made are based on cyclical meter reads which are not always coterminous with the year end. Where no billing history exists, estimates based on similar sized customers are utilised.

**Intangible assets** - The group tests the carrying value of intangible assets on an annual basis or more frequently where indicators of impairment exist. The group also reassesses the useful lives of the assets on a similar basis to ensure that these continue to reflect the period over which the economic benefits will flow to the group.

**Customer acquisitions** - Customer acquisition costs are capitalised as they are paid and are released to the profit and loss account in line with the contract length.

**Covid-19** - As at 31 December 2019 China had alerted the World Health Organisation (WHO) of several cases of an unusual form of pneumonia in Wuhan. However substantive information about what has now been identified as Covid-19 only came to light in early 2020, with the WHO announcing a pandemic on 11 March 2020. Therefore the group has determined in light of the dates and information available, that as a 31 December year end, the emergence of Covid-19 is a non adjusting post balance sheet event.

**Turnover**

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

**Income recognition**

Income is recognised in the period water and sewerage services are supplied to the customer.

**Goodwill**

Goodwill, being the amount paid in connection with the acquisition of a business in 2017, is being amortised evenly over its estimated useful life of ten years.

**Intangible assets**

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Customer acquisitions are being amortised in line with the contract length to which they relate.

Computer software is being amortised evenly over its estimated useful life of ten years.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Long leasehold	- 20% on cost
Computer equipment	- 33% on cost and 25% on cost

Everflow Holdings Limited (Registered number: 11039542)

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2019

2. ACCOUNTING POLICIES - continued

**Government grants**

Revenue based grants are credited to the profit and loss account upon receipt.

**Financial instruments**

Basic financial instruments are recognised at amortised cost with changes recognised in profit or loss.

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Profit and Loss Account, 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 balance sheet date.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet 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.

**Leasing commitments**

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

**Pension costs and other post-retirement benefits**

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

**Investments**

Investments held as fixed assets are stated at cost less provision for any impairment in value.

3. EMPLOYEES AND DIRECTORS

	Year Ended 31.12.19	Period 31.10.17 to 31.12.18 as restated
	£	£
Wages and salaries	941,529	480,986
Social security costs	78,735	58,417
Other pension costs	17,008	5,151
	<u>1,037,272</u>	<u>544,554</u>

Everflow Holdings Limited (Registered number: 11039542)

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2019

3. EMPLOYEES AND DIRECTORS - continued

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

	Year Ended 31.12.19	Period 31.10.17 to 31.12.18 as restated
Directors	3	3
Staff	42	12
	<u>45</u>	<u>15</u>

	Year Ended 31.12.19	Period 31.10.17 to 31.12.18 as restated
Directors' remuneration	£ <u>25,731</u>	£ <u>44,764</u>

4. OPERATING LOSS

The operating loss is stated after charging:

	Year Ended 31.12.19	Period 31.10.17 to 31.12.18 as restated
Hire of plant and machinery	£ 222	£ 223
Depreciation - owned assets	24,976	11,977
Loss on disposal of fixed assets	15,149	-
Goodwill amortisation	637,552	637,552
Customer acquisitions amortisation	628,886	384,912
Computer software amortisation	51,811	20,304
Auditors' remuneration	20,050	9,884
Auditors' remuneration for non-audit services	10,570	14,400
	<u>10,570</u>	<u>14,400</u>

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	Year Ended 31.12.19	Period 31.10.17 to 31.12.18 as restated
Loan interest	£ <u>358,442</u>	£ <u>203,563</u>

Everflow Holdings Limited (Registered number: 11039542)

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2019

6. TAXATION

**Analysis of the tax credit**

The tax credit on the loss for the year was as follows:

	Year Ended 31.12.19	Period 31.10.17 to 31.12.18 as restated
	£	£
Current tax:		
Prior year adjustment	(12,408)	-
R&D tax credit	-	(99,755)
	<u>(12,408)</u>	<u>(99,755)</u>
Tax on loss	<u>(12,408)</u>	<u>(99,755)</u>

**Reconciliation of total tax credit included in profit and loss**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	Year Ended 31.12.19	Period 31.10.17 to 31.12.18 as restated
	£	£
Loss before tax	<u>(719,920)</u>	<u>(548,198)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	(136,785)	(104,158)
Effects of:		
Expenses not deductible for tax purposes	(92,587)	44,352
Depreciation in excess of capital allowances	67,789	116,110
Adjustments to tax charge in respect of previous periods	(12,408)	-
R&D tax credit	-	(99,755)
Prior year adjustment	79,360	(79,360)
Tax losses bfwd	(113,441)	(90,385)
Tax losses cfwd	195,664	113,441
Total tax credit	<u>(12,408)</u>	<u>(99,755)</u>

7. INDIVIDUAL PROFIT AND LOSS ACCOUNT

As permitted by Section 408 of the Companies Act 2006, the Profit and Loss Account of the parent company is not presented as part of these financial statements.

Everflow Holdings Limited (Registered number: 11039542)

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2019

8. DIVIDENDS

	Year Ended 31.12.19	Period 31.10.17 to 31.12.18 as restated
	£	£
'A' Ordinary shares of 1p each Final	101,577	76,182
'B' Ordinary shares of 1p each Final	37,928	28,444
'C' Ordinary shares of 1p each Final	37,927	34,238
'D' Ordinary shares of 1p each Final	45,650	25,111
'E' Ordinary shares of 1p each Final	45,650	34,238
	<u>268,732</u>	<u>198,213</u>

9. PRIOR YEAR ADJUSTMENT

Commissions paid to brokers were historically amortised over the first year of the customer contract, as this was the clawback period. However, the average contract length was different to this, and this is the period over which economic benefits from the contract flow to the business. Therefore the directors have made the decision to reallocate customer acquisition costs from prepayments to intangible assets and change the amortisation period to sit in line with the length of the customer contract. This has resulted in a prior year adjustment, decreasing prepayments brought forward by £364,026, increasing customer acquisitions brought forward by £781,708 and increasing reserves brought forward by £417,682.

10. INTANGIBLE FIXED ASSETS

Group	Goodwill £	Customer acquisitions £	Computer software £	Totals £
<b>COST</b>				
At 1 January 2019	6,375,524	1,166,620	359,902	7,902,046
Additions	-	1,103,700	337,866	1,441,566
At 31 December 2019	<u>6,375,524</u>	<u>2,270,320</u>	<u>697,768</u>	<u>9,343,612</u>
<b>AMORTISATION</b>				
At 1 January 2019	637,552	384,912	20,304	1,042,768
Amortisation for year	637,552	628,886	51,811	1,318,249
At 31 December 2019	<u>1,275,104</u>	<u>1,013,798</u>	<u>72,115</u>	<u>2,361,017</u>
<b>NET BOOK VALUE</b>				
At 31 December 2019	<u>5,100,420</u>	<u>1,256,522</u>	<u>625,653</u>	<u>6,982,595</u>
At 31 December 2018	<u>5,737,972</u>	<u>781,708</u>	<u>339,598</u>	<u>6,859,278</u>

Everflow Holdings Limited (Registered number: 11039542)

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2019

11. TANGIBLE FIXED ASSETS

Group	Long leasehold £	Computer equipment £	Totals £
<b>COST</b>			
At 1 January 2019	1,120	61,022	62,142
Additions	-	34,836	34,836
Disposals	-	(30,737)	(30,737)
	<u>1,120</u>	<u>65,121</u>	<u>66,241</u>
At 31 December 2019	1,120	65,121	66,241
<b>DEPRECIATION</b>			
At 1 January 2019	75	11,902	11,977
Charge for year	224	24,752	24,976
Eliminated on disposal	-	(15,588)	(15,588)
	<u>299</u>	<u>21,066</u>	<u>21,365</u>
At 31 December 2019	299	21,066	21,365
<b>NET BOOK VALUE</b>			
At 31 December 2019	<u>821</u>	<u>44,055</u>	<u>44,876</u>
At 31 December 2018	<u>1,045</u>	<u>49,120</u>	<u>50,165</u>

12. FIXED ASSET INVESTMENTS

Company	Shares in group undertakings £
<b>COST</b>	
At 1 January 2019	6,187,916
Additions	3,000,000
	<u>9,187,916</u>
At 31 December 2019	9,187,916
<b>NET BOOK VALUE</b>	
At 31 December 2019	<u>9,187,916</u>
At 31 December 2018	<u>6,187,916</u>

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

**Subsidiaries**

**Everflow Limited**

Registered office: Unit 4, Suite 2, Wynyard Avenue, Wynyard, Billingham, TS22 5TB

Nature of business: Water retailer

Class of shares:	% holding
Ordinary	100.00

Everflow Holdings Limited (Registered number: 11039542)

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2019

12. **FIXED ASSET INVESTMENTS - continued**

**Everflow Tech Limited**

Registered office: Unit 4, Suite 2, Wynyard Avenue, Wynyard, Billingham, TS22 5TB

Nature of business: Supply of software to water industry

	%
Class of shares:	holding
Ordinary	100.00

**Everflow Operations Limited**

Registered office: Unit 4, Suite 2, Wynyard Avenue, Wynyard, Billingham, TS22 5TB

Nature of business: Reading of water meters

	%
Class of shares:	holding
Ordinary	100.00

13. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group		Company	
	2019	2018 as restated	2019	2018 as restated
	£	£	£	£
Trade debtors	3,305,199	2,575,205	-	-
Amounts owed by group undertakings	-	-	69,700	-
Other debtors	257,105	187,740	-	1,235
VAT debtor	425,234	302,426	1,254	-
Wholesale credit support	5,221,156	3,824,062	-	-
Prepayments and accrued income	2,230,778	1,734,571	-	-
	<u>11,439,472</u>	<u>8,624,004</u>	<u>70,954</u>	<u>1,235</u>

14. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group		Company	
	2019	2018 as restated	2019	2018 as restated
	£	£	£	£
Trade creditors	1,481,296	3,082,340	19,500	-
Amounts owed to group undertakings	-	-	1,657,958	1,640,149
Taxation and social security	27,872	11,874	-	-
Other creditors	865,129	947,986	720,000	820,000
Payments on account	1,084,835	995,413	-	-
Directors' current accounts	154,497	84,417	69,810	-
Accruals and deferred income	10,919,283	7,371,645	33,622	-
	<u>14,532,912</u>	<u>12,493,675</u>	<u>2,500,890</u>	<u>2,460,149</u>

15. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	Group		Company	
	2019	2018 as restated	2019	2018 as restated
	£	£	£	£
Other loans (see note 16)	<u>2,852,326</u>	<u>2,809,348</u>	<u>2,852,326</u>	-

Everflow Holdings Limited (Registered number: 11039542)

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2019

16. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2019	2018 as restated	2019	2018 as restated
	£	£	£	£
Amounts falling due between two and five years:				
Other loans - 2-5 years	<u>2,852,326</u>	<u>2,809,348</u>	<u>2,852,326</u>	<u>-</u>

17. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group	Non-cancellable operating leases	
	2019	2018 as restated
	£	£
Within one year	58,454	33,500
Between one and five years	108,636	100,500
In more than five years	-	25,125
	<u>167,090</u>	<u>159,125</u>

18. SECURED DEBTS

The following secured debts are included within creditors:

	Group		Company	
	2019	2018 as restated	2019	2018 as restated
	£	£	£	£
Other loans	<u>2,852,326</u>	<u>2,809,348</u>	<u>2,852,326</u>	<u>-</u>

The loan is secured by a fixed and floating charge over the assets of the main subsidiary company, Everflow Limited. The borrower also holds a warrant over one third of the share capital of the group.

19. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2019	2018 as restated
			£	£
6,440	'A' Ordinary	1p	64	64
3,160	'B' Ordinary	1p	32	32
1,200	'C' Ordinary	1p	12	12
600	'D' Ordinary	1p	6	6
600	'E' Ordinary	1p	6	6
			<u>120</u>	<u>120</u>

Everflow Holdings Limited (Registered number: 11039542)

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2019

20. RESERVES

Group	Retained earnings £	Share premium £	Totals £
At 1 January 2019	(1,064,338)	3,712,630	2,648,292
Prior year adjustment	417,682		417,682
	(646,656)		3,065,974
Deficit for the year	(707,512)		(707,512)
Dividends	(268,732)		(268,732)
At 31 December 2019	<u>(1,622,900)</u>	<u>3,712,630</u>	<u>2,089,730</u>
<b>Company</b>			
	Retained earnings £	Share premium £	Totals £
At 1 January 2019	16,272	3,712,630	3,728,902
Profit for the year	445,639		445,639
Dividends	(268,732)		(268,732)
At 31 December 2019	<u>193,179</u>	<u>3,712,630</u>	<u>3,905,809</u>

21. RELATED PARTY DISCLOSURES

Entities where a Director has control

	2019 £	2018 as restated £
Purchases	-	28,519
Amount due from related party	-	584

Only the Directors of the company are considered to be key management personnel. Details of Directors remuneration is shown in note 3.