

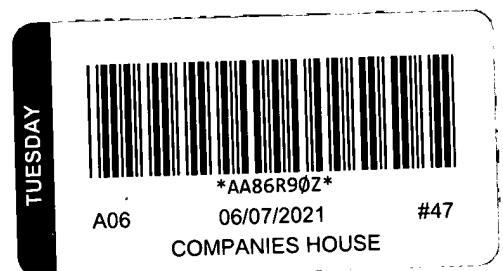
## **Enovert North Limited**

Annual Report and Financial Statements

Year Ended

31 December 2020

Company Number 2773558



# Enovert North Limited

## Report and financial statements for the year ended 31 December 2020

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### Directors

D P E Richards  
J C Williams  
B S Huntington  
S Hooton  
M Silvester

### Registered office

3-5 Greyfriars Business Park, Frank Foley Way, Stafford, ST16 2ST

### Company number

2773558

### Bankers

Barclays Bank PLC, 1 Churchill Place, London E14 5HP

### Auditor

Mazars LLP, 5<sup>th</sup> Floor, 3 Wellington Place, LS1 4AP

# Enovert North Limited

## Strategic Report for the year ended 31 December 2020

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The directors present their Strategic Report together with the audited financial statements for the year ended 31 December 2020.

### Directors duties

At all times the Directors act in a way they consider is in good faith and promotes the success of the company for the benefit of its members as a whole. As part of the board's decision making process, the following considerations are taken into account:

- the likely consequences of any decisions in the long term;
- the interests of company's employees;
- the need to foster business relationships with suppliers, customers and others;
- the impact of company's operations on community and environment;
- the desirability of maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of company.

The following paragraphs summarise how the Directors fulfil their duty to promote the success of the Company;

### Our People and Values

Our employees are fundamental to the delivery of our business goals. For our business to succeed we need to manage our people's performance, develop and nurture their talent, and listen and act on employee feedback, and we have a comprehensive appraisal, people development and employee survey processes in place to meet these needs. The appraisal system has been reviewed during 2020 in order to meet these needs.

Our employees received regular business updates throughout the year.

The health, safety and well-being of our employees is one of our primary considerations in the way we do business, reinforced through management performance objectives and visual notice boards and displays across all our operating sites.

During 2020, we have joined Health Assured, an employee assistance programme (EAP) which is free to employees and their families and have invested heavily in gas detection solutions to ensure operations remain safe and exceed compliance standards.

Enovert is committed in being a responsible business. Our behaviour is aligned with the expectations of our people, customer, shareholders, communities and society as a whole. We must also ensure we share common values that inform and guide our behaviour, so we achieve our business goals in the right way.

### Business Relationships

The business continues to focus on developing and maintaining strong local authority and customer relationships, investing as much time in developing our service as we do in providing new solutions. Accordingly, we have invested in further staff within our waste solutions department to address the service needs of our key customers.

We value all our suppliers, many of whom we have been in partnership with for over 15 years, and commit to engaging responsibly and fairly. It is the policy of the Company to pay suppliers promptly to agreed terms.

### Community and Environment

Enovert actively considers the impact of its operations on the community and environment, targeting sustainability and environmental improvements in accordance with its commitments made and regulatory requirements held under our licences. Enovert holds regular community liaison meetings at its sites throughout the year.

The Company participates in recycling schemes, and targets improvements in energy efficiency and reduction of the business carbon footprint. The company generates electricity as part of its core business from renewable energy which is exported to the UK's electricity grid along with generating its own demand for electricity where it is possible to do so.

# Enovert North Limited

## Strategic Report for the year ended 31 December 2020 (continued)

The Company has a number of tree planting schemes in place which helps to offset its carbon footprint and hopes to soon be able to offer aid to other companies to meet their own carbon footprint through carbon sequestration.

### Shareholders

Enovert is a member of Trebuchet Group Holdings, and the composition of the Board of Directors includes representatives from the Group. The strategy and objectives of the Group are deployed through Enovert via Board meetings and update meetings, which seek to align the goals of the Company to those of the Group and its shareholders, and to ultimately promote the long-term growth and success of the business.

### Principal activity

The principal activity of the company is that of the provision of environmental services. Principal activities include the management and operation of landfills. The company also seeks to enhance earnings through maximising methane gas power generation at all of its landfill sites.

In the opinion of the directors, the financial statements give a fair view of the development of the business during the year and of its position at the end of the year. A comprehensive review of the state of affairs of the group, of which the company is a member, together with key performance indicators and risks and uncertainties, is contained in the report and financial statements of Enovert Management Limited.

### Results

The statement of comprehensive income is set out on page 11 and shows the profit for the year of £3,681k (2019: £539k). The profit is impacted during the year by a write back of £3.6m of costs (depreciation and aftercare) associated with the consented void gain of the landfill where previously these had been written down.

### Review of the business

A summary of the results and key performance indicators are shown in the table below. The landfill business remains steady during the year with methane gas generation decreasing as expected.

	2020	2019
Tonnage to landfill (thousand tonnes)	440	508
Consented Void capacity (thousand m <sup>3</sup> )	3,785	1,406
Average monthly number of employees	65	61

Inputs to landfill in the year totalled 0.4Mt which is lower than last year. (2019: 0.5Mt.)

The company has reviewed the discount rate applied to the calculation of the aftercare provision which has reduced to 3.25% (2019: 3.5%).

The weighted average landfill gate fee per tonne in 2020 was £0.87 (+7%) higher than in 2019 due to a change in the mix of waste received.

Landfill gas production increased by 1.4GWh (2.9%) in 2020 in line with expectation.

### Future developments

The directors aim to pursue policies conducive to the well-being of the company, its employees and shareholders. Opportunities to expand existing businesses and to branch out into new areas are kept under constant review, evaluated and implemented if financially and operationally feasible.

# Enovert North Limited

## Strategic Report for the year ended 31 December 2020 (*continued*)

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### COVID-19

The waste disposal sector and its employees have been classed as key workers. The business has operational contingency measures in place to ensure the business continues to provide key services to the local authorities and its customers, whilst minimising the risk of spreading the infection during the pandemic. IT structure is in place to allow head office staff to work from home and the business has adapted well to this change.

The majority of our customers also remain open for business during these unusual times and we have seen slight increases to our usual tonnage from local authorities due to additional waste from household being collected in the form of black bag waste.

Enovert, although not eligible for any government COVID-19 support grants or business loans has made a commitment to pay its suppliers to terms during the pandemic, it has taken advantage of the VAT deferral payment that the government has automatically offered during March and June 2020 and is current reviewing other short-term tax deferments to ensure cash flows remain strong during this outbreak.

### Going concern

The directors believe that there is a reasonable prospect that for the foreseeable future, the company, and the group headed by Enovert Management Limited, will continue to provide support to the company, and as a result, each will have adequate resources to meet its obligations as they fall due.

The directors consequently continue to adopt the going concern basis in preparing the annual report and financial statements.

### Risk management

The company's principal risks and uncertainties can broadly be defined as competitive and market, legislative and planning and financial.

### Competition and market

The waste market operates at a local, rather than national level due to the relatively high cost of transportation compared to the cost of disposal or treatment. Enovert remains well placed to compete in that market place as an operator of strategically located assets, with a proven operational track record, knowledge of the compliance and regulatory framework and customer relationships.

Legislation, public and political pressure is requiring the UK waste industry to adapt, become less dependent on landfill for the disposal of its waste and to develop alternative waste treatment solutions. This requirement is generating new business opportunities within the UK waste market for the incumbent waste companies as well as a number of specialist new entrants.

The absolute volume of waste sent to landfill is expected to continue to decline in the medium to long term as waste recycling rates improve and credible, economically and environmentally viable alternatives to landfill are developed. Enovert has invested and will continue to look to invest in waste treatment facilities that provide an alternative to landfill. Such facilities ensure that Enovert's waste management portfolio is diversified against the drive to divert waste away from landfill in the longer term. Such treatment facilities are exposed to their own commercial and market risks including long term trends in waste gate fees, the growth in competition from the export of waste as refuse derived fuel, long term electricity prices, and recycled commodity markets. These risks are similar to those that Enovert is already exposed to through its landfill assets and have a proven track record in managing

# Enovert North Limited

## Strategic Report for the year ended 31 December 2020 (continued)

Although the sector has seen some consolidation and the entrance of some of the larger facilities management companies in recent years, the waste collection market in England continues to be fragmented with a relatively large number of small private contractors. Enovert works closely with its customers to provide additional services such as composting, treatment and recycling to enable local authorities to achieve their recycling targets. As an incumbent contractor Enovert is often best placed to undertake these services

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### Legislative and planning

To encourage recycling and diversion the government introduced a tax on waste taken to landfill which has escalated rapidly since its introduction in 1996. The rate for active waste in the year 2019/20 is £91.35 per tonne which has increased to £94.15 from April 2020, the lower rate having increased to £3.00 per tonne. Both rates will increase in line with the change in RPI and the government has announced active waste rate shall be £96.70 per tonne and lower rate £3.10 per tonne from April 2021.

Legislative risks will always exist in areas of environmental compliance as increasing controls are introduced to control emissions and reduce the burden on the environment. The Pollution Prevention and Control (PPC) permitting regime has, and will continue to, result in more onerous operating standards. Although none has come forward to date, the potential for changes and developments in industry best practice to require Enovert to review its accounting and measurement of long term aftercare provisions will remain in the coming years.

There will always exist risks associated with increasingly stringent health, safety and welfare requirements resulting from the implementation of European Directives, developments in industry best practice, the advancement in scientific knowledge and further guidance following from research work on the occupational health impacts of work in refuse sorting activities.

Personnel from the company are active on key government-industry committees through which such legislation and practices will emerge providing both advanced warning of, and the ability to influence, emerging risks.

Planning risks exist and the criteria that planning applications have to meet continue to evolve. Enovert has a highly competent in-house planning team and in consultation with this team the company will continue to adapt to the changes in planning legislation and update its short to medium term strategy accordingly.

# Enovert North Limited

## Strategic Report for the year ended 31 December 2020 (continued)

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### Financial

The company has established financial management control processes whose objective is to monitor the company's financial performance and risks at a business unit level and to ensure sufficient working capital exists.

(a) *Risk relating to debt position*

*Liquidity risk*

Liquidity risk is the risk that an entity may encounter difficulties in meeting obligations associated with meeting its financial liabilities as they fall due. The company manages the risk through regular cash flow forecasts, monitoring and strict management of its obligations.

*Cash flow risk*

Cash flow risk is the risk of exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability such as future interest payments. The company manages this risk through regular cash flow forecasts, monitoring and strict management of its working capital and planning for known future significant cash flow movements.

(b) *Exposure to price risk*

Localised competition for waste volumes may result in some downward price pressure. Management continuously review market and competitor behaviour and before responding to price pressure will assess whether lower competitor prices are a short term strategy to gain short term advantage or whether their behaviour is symptomatic of a longer term commitment to grow market share at the expense of margins.

The company is exposed to changes in electricity prices through its landfill gas business and energy from waste facility. The exposure to short term changes in electricity prices is mitigated by entering into short term fixed price agreements for electricity generated from the landfill gas.

(c) *Exposure to credit risk*

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The company's policies are aimed at minimising such a risk by conducting credit checks where appropriate and by other established credit control procedures.

(d) *Exposure to market risk*

Market risk is the possibility of experiencing losses due to factors that affect the overall performance of the financial markets in which the group holds investments. The company minimises this risk by selecting investment instruments with an appropriate balance of risk and anticipated return.

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(e) *Other risk*

The company places all its insurance with leading insurance companies. Obligatory insurances are placed as necessary at competitive rates. All other risks are assessed and identified and where appropriate, insurance cover is purchased, where available, to mitigate these risks. Insurances are reviewed, assessed and renewed on an annual basis.

# Enovert North Limited

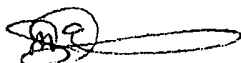
## Strategic Report for the year ended 31 December 2020 (*continued*)

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### Post balance sheet events

There are no post balance sheet events.

### On behalf of the Board



M Silvester  
Director

Date 30<sup>th</sup> June 2021



# **Enovert North Limited**

## **Report of the directors for the year ended 31 December 2020**

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The directors present their directors' report together with the audited financial statements for the year ended 31 December 2020.

### **Dividends**

The company did not pay an interim dividend during the year (2019: £Nil). The directors do not propose payment of a final dividend (2019: £Nil).

### **Strategic review**

A review of the business for the year ended 31 December 2020, including an analysis of key financial indicators, is included in the Strategic Report.

### **Energy and Carbon reporting**

The Energy and Carbon report is compiled on a group basis and can be found within the Directors report of the parent company, Enovert Management Limited.

### **Political and charitable contributions**

During the year the company made charitable contributions of £11k (2019: £4k). The company did not make any political contributions.

### **Directors**

The directors of the company who have served during the year were:

D P E Richards  
J C Williams  
B S Huntington  
S Hooton  
M Silvester

Appropriate directors' and officers' liability insurance cover is in place in respect of all the company's directors.

### **Policy on the payment of creditors**

The company agrees terms with its creditors on an individual basis through negotiation and will pay invoices as they fall due.

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# Enovert North Limited

## Report of the directors for the year ended 31 December 2020 (continued)

### Directors' responsibilities

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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 of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

Mazars LLP have expressed their willingness to continue in office and a resolution to re-appoint them as auditors will be proposed at the next annual general meeting.

### On behalf of the Board



M Silvester  
Director

Date 30<sup>th</sup> June 2021

# Enovert North Limited

## Independent auditor's report

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Independent auditor's report to the members of Enovert North Limited.

### Opinion

We have audited the financial statements of Enovert North Limited (the 'company') for the year ended 31 December 2020 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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

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

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

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

# Enovert North Limited

## Independent auditor's report (continued)

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### Other information

The other information comprises the information included in the Strategic Report and the Directors Report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

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

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specific by law are not made; or
- we have not received all the information and explanations we require for our audit.

### Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

# Enovert North Limited

## Independent auditor's report (continued)

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### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the Company and its industry, we identified that the principal risks of non-compliance with laws and regulations related to tax legislation, employment regulation, health and safety regulation and fraud and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006.

We evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the directors and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

## Enovert North Limited

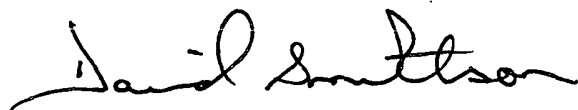
### Independent auditor's report (continued)

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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 auditor's report.

#### Use of the audit report

This report is made solely to the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.



David Smithson (Senior Statutory Auditor)

For and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

5<sup>th</sup> Floor

3 Wellington Place

Leeds

LS1 4AP

Date: 30 June 2021

# Enovert North Limited

## Statement of comprehensive income for the year ended 31 December 2020

	Note	2020 £'000	2019 £'000
Turnover	3	26,917	30,440
Cost of sales		(18,164)	(25,302)
<b>Gross profit</b>		<b>8,753</b>	<b>5,138</b>
Administrative expenses		(4,298)	(3,743)
Profit on sale of tangible fixed assets		56	75
<b>Operating profit</b>	6	<b>4,511</b>	<b>1,470</b>
Interest receivable and similar income	7	79	10
Interest payable and similar charges	8	(540)	(694)
<b>Profit on ordinary activities before taxation</b>		<b>4,050</b>	<b>786</b>
Taxation on profit from ordinary activities	9	(369)	(247)
<b>Profit and total comprehensive income for the financial year</b>		<b>3,681</b>	<b>539</b>

The notes on pages 16 to 28 form part of these financial statements.

# Enovert North Limited

## Statement of financial position at 31 December 2020

	Note	2020 £'000	2020 £'000	2019 £'000	2019 £'000
<b>Fixed assets</b>					
Tangible assets	10		4,693		4,943
			<u>4,693</u>		<u>4,943</u>
<b>Current assets</b>					
Stocks	11	135		9	
Debtors: amounts due within one year	12	7,415		4,705	
Debtors: amounts due after more than one year	12	3,824		4,409	
Cash at bank and in hand		7,359		9,194	
		<u>18,733</u>		<u>18,317</u>	
<b>Creditors: amounts falling due within one year</b>	13	(8,997)		(7,759)	
<b>Net current assets</b>			<u>9,736</u>		<u>10,558</u>
<b>Total assets less current liabilities</b>			<u>14,429</u>		<u>15,501</u>
<b>Provisions for liabilities</b>	14		(19,706)		(24,458)
<b>Net liabilities</b>			<u>(5,276)</u>		<u>(8,957)</u>
<b>Capital and reserves</b>					
Called up share capital	15		800		800
Capital contribution	21		13		13
Profit and loss account			(6,089)		(9,770)
<b>Shareholders' deficit</b>			<u>(5,276)</u>		<u>(8,957)</u>

The financial statements were approved by the Board of Directors and authorised for issue on 30<sup>th</sup> June 2021



M Silvester  
Director

The notes on pages 16 to 28 form part of these financial statements.



# Enovert North Limited

## Statement of changes in equity for the year ended 31 December 2020

	Share capital £'000	Profit and loss account £'000	Capital Contribution £'000	Total equity £'000
<b>At 1 January 2019</b>	100	(10,309)	13	(10,196)
Amounts reclassified from liabilities	700	-	-	700
Profit for the year	-	539	-	539
<b>Total comprehensive income for the year</b>	<b>800</b>	<b>(9,770)</b>	<b>13</b>	<b>(8,957)</b>
<b>At 31 December 2019</b>	<b>800</b>	<b>(9,770)</b>	<b>13</b>	<b>(8,957)</b>
	Share capital £'000	Profit and loss account £'000	Capital Contribution £'000	Total equity £'000
<b>At 1 January 2020</b>	800	(9,770)	13	(8,957)
Profit for the year	-	3,681	-	3,681
<b>Total comprehensive income for the year</b>	<b>800</b>	<b>(6,089)</b>	<b>13</b>	<b>(5,276)</b>
<b>At 31 December 2020</b>	<b>800</b>	<b>(6,089)</b>	<b>13</b>	<b>(5,276)</b>

The notes on pages 16 to 28 form part of these financial statements

# Enovert North Limited

## Notes forming part of the financial statements for the year ended 31 December 2020

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### 1 Accounting policies

Enovert North Limited is a company incorporated in England and Wales under the Companies Act. The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies.

The following principal accounting policies have been applied:

#### *Exemption from preparing consolidated financial statements*

The financial statements contain information about Enovert North Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertaking are included by full consolidation in the consolidated financial statements of Enovert Management Limited a company registered in England & Wales, and the parent undertaking of the smallest group of which the company is a member and for which group financial statements are prepared.

#### *Going concern*

The directors believe that there is a reasonable prospect that for the foreseeable future, the company, and the group headed by Enovert Management Limited, will continue to provide support to the company, and as a result, each will have adequate resources to meet its obligations as they fall due.

The directors consequently continue to adopt the going concern basis in preparing the annual report and financial statements.

Due to company's net liability position at financial year end a letter of support has been obtained from parent company Enovert Management Limited.

#### *Company disclosure exemptions*

As its results are included in Enovert Management Limited's consolidated financial statements, the company has taken advantage of the following disclosure exemptions available under FRS102:

- the requirement to present a statement of cash flows and related notes;
- the requirement to disclose the company's financial instruments; and
- the requirement to disclose aggregate remuneration of the key management personnel of the company as their remuneration is included in the totals for the group as a whole.

# Enovert North Limited

## Notes forming part of the financial statements for the year ended 31 December 2020

### 1 Accounting policies (continued)

#### *Revenue recognition*

Revenue is recognised when full performance of the service is rendered to the customer, this is considered to be when waste is delivered to one of the company's landfill sites and deposited by the customer. It represents the income receivable (including landfill tax and excluding value added tax and trade discounts) in the ordinary course of business for services provided. Revenue arising on generation of electricity is recognised on confirmation of generation or exportation of electricity.

#### *Intangible assets - Goodwill*

Goodwill is the difference between the fair value of the consideration paid and the fair value of the asset and liabilities acquired.

Positive goodwill is capitalised, classified as an asset on the balance sheet and amortised on a straight line balance basis over its useful economic life up to a maximum of 15 years as this is the period over which economic benefit are expected to be derived from this asset. It is reviewed for impairment at the end of the first full financial period following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

#### *Tangible assets*

Fixed assets are initially recorded at cost. The landfill void is filled in sections or "cells". Site costs incurred during the year in preparing a cell are capitalised and depreciated over the life of that cell once usage of it commences. The provision for the company's minimum unavoidable costs in relation to the final landfill site restoration is capitalised as a fixed asset.

Depreciation is not normally charged in respect of freehold land except in the case of landfill sites where depreciation is charged over the operational life of the site.

Depreciation is provided on all other tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Freehold land and buildings	-	Over the life of the associated site
Long leasehold property	-	Over the life of the respective contract
Plant and machinery	-	3 to 40 years
Landfill site restoration	-	Over life of cell(s)
Cell preparation costs	-	Over of cell(s)

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

#### *Stocks*

Stock, principally raw materials and consumables, is stated at the lower of cost and net realisable value. Cost includes, where appropriate, relevant overheads.

#### *Deferred taxation*

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more tax.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

# Enovert North Limited

## Notes forming part of the financial statements for the year ended 31 December 2020 (continued)

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### 1 Accounting policies (continued)

#### *Deferred taxation (continued)*

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

#### *Operating leases*

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

#### *Interest-bearing loans and borrowings*

All interest-bearing loans and borrowings are initially recognised at net proceeds. After initial recognition debt is increased by the finance cost in respect of the reporting period and reduced by payments made in respect of the debts of the period.

Finance costs of debt are charged to the income statement over the term of the debt using the effective interest rate method so the amount charged is a constant rate on the carrying amount.

#### *Pensions*

The company operates the following defined contribution pension schemes:

The Cory Environmental Odyssey Replacement Pension;  
The Cory Environmental Nestor Replacement Pension;  
The Cory Environmental Pension Scheme; and  
The People's Pension.

These are run on behalf of the employees and operated by Enovert Management Limited in the United Kingdom. Contributions to the schemes are charged to the income statement when payable.

#### *Aftercare provision*

A provision is maintained against commitments in respect of the future maintenance of landfill sites, which will crystallise over a period estimated to be in the order of 60 years following closure, based on discounted forecast cash flows. An assessment of these future costs is made periodically, and the provision adjusted to reflect current estimates regarding void utilised remaining site lives and annual post-closure costs. Provision for all such costs is charged to the income statement on the basis of usage of void space. The unwinding of the discount is charged to the income statement as a finance charge.

#### *Landfill restoration*

Full provision is made for future value of the group's minimum unavoidable costs in relation to restoration liabilities at its landfill sites for each cell as usage commences for that cell. This is capitalised as a fixed asset and depreciated over the life time of the cell(s).

#### *Insurance provisions*

The company maintains insurance policies with significant excesses, below which claims are borne by the company. Full provision is made for the estimated costs of claims or losses arising from past events falling outside the limits of these policies.

# Enovert North Limited

## Notes forming part of the financial statements for the year ended 31 December 2020 (*continued*)

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### 1 Accounting policies (*continued*)

#### *Liabilities and damages*

Full provision is made for onerous contracts. If in the opinion of the directors, there is a likelihood of claims arising from third parties, these are provided for in the accounts.

#### *Financial liabilities and equity*

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the legal form.

#### *Holiday pay accrual*

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement and accrued at the balance sheet date.

#### *Related party exemption*

The company has taken advantage of the exemption available in FRS 102 from disclosing related party transactions with members of the group headed by Trebuchet Group Holdings Limited on the grounds that the company is a wholly owned member of the group.

### 2 Significant judgements and estimates

In preparing these financial statements, the directors have made the following judgements:

- Determine whether there are indicators of impairment of the company's tangible fixed assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.
- Tangible fixed assets are depreciated over their useful lives taking into account residual value, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors.
- Determine the aftercare commitments in respect of the future maintenance of landfill sites, which will crystallise over a period estimated to be in the order of 60 years following closure. An assessment of these future costs is made periodically, and the rate of provision adjusted to reflect current estimates regarding remaining site lives and annual post-closure costs.
- Determine the future value of the group's minimum unavoidable costs in relation to restoration liabilities at its landfill sites for each cell as usage commences for that cell.
- Determine an appropriate discount rate to calculate the present value of future landfill aftercare and restoration commitments.
- Determine the likelihood and potential economic outlay of claims arising from third parties.
- Determine the recoverability of the company's deferred tax asset based on the availability of future trading profits.

### 3 Turnover

Turnover, which is stated inclusive of landfill tax and net of value added tax, relates to the company's principal continuing activity, which the directors consider constitutes a single class of business. The geographical origin and destination of turnover was the United Kingdom.

# Enovert North Limited

Notes forming part of the financial statements  
for the year ended 31 December 2020 (continued)

## 4 Employees

	2020 £'000	2019 £'000
Staff costs consist of:		
Wages and salaries	2,441	2,173
Social security costs	240	237
Other pension costs	265	265
	<u>2,946</u>	<u>2,675</u>
The average monthly number of employees during the year was as follows:	Number	Number
Operations	16	17
Administration	49	44
	<u>65</u>	<u>61</u>

## 5 Directors remuneration

	2020 £'000	2019 £'000
Aggregate remuneration in respect of qualifying services	841	694
Aggregate contributions to money purchase pension schemes	19	15
	<u>860</u>	<u>709</u>
	Number	Number
Number of directors accruing benefits under money purchase schemes	2	2

In 2020, two directors' received remuneration from the company for services to the company during the year (2019 – two directors).

The highest paid director received remuneration of £461k (2019 – £370k)

The value of the company's contributions paid defined contribution pension scheme in respect of the highest paid director amounted to £7k (2019 – £5k)

# Enovert North Limited

Notes forming part of the financial statements  
for the year ended 31 December 2020 (*continued*)

<b>6</b>	<b>Operating profit</b>	<b>2020</b>	<b>2019</b>
		<b>£'000</b>	<b>£'000</b>
	This has been arrived at after charging:		
	Operating lease rentals:		
	- vehicles, plant and equipment	100	89
	Depreciation (note 10)	1,781	1,679
	Impairment of fixed assets (note 10)	3	430
	Profit/loss on disposal of assets	56	75
	Auditors' remuneration	23	29
		<hr/>	<hr/>
<b>7</b>	<b>Interest receivable and similar charges</b>	<b>2020</b>	<b>2019</b>
		<b>£'000</b>	<b>£'000</b>
	Interest receivable from group undertakings	79	6
	Other interest receivable	-	4
		<hr/>	<hr/>
		79	10
		<hr/>	<hr/>
<b>8</b>	<b>Interest payable and similar charges</b>	<b>2020</b>	<b>2019</b>
		<b>£'000</b>	<b>£'000</b>
	Other interest payable	10	2
	Unwinding of discount on aftercare provision (note 14)	530	692
		<hr/>	<hr/>
		540	694
		<hr/>	<hr/>

# Enovert North Limited

Notes forming part of the financial statements  
for the year ended 31 December 2020 (*continued*)

## 9 Taxation on profit/(loss) from ordinary activities

	2020 £'000	2020 £'000	2019 £'000	2019 £'000
<i>UK corporation tax</i>				
Current tax on profit/(loss) for the year		(216)		31
Adjustment in respect of previous periods		-		(50)
Total current tax		(216)		(19)
<i>Deferred tax</i>				
Origination and reversal of timing differences	585		266	
Total deferred tax		585		266
Taxation on profit on ordinary activities		369		247

The tax assessed for the year is higher (2019: higher) than the standard rate of corporation tax in the UK applied to loss before tax. The differences are explained below:

	2020 £'000	2019 £'000
Profit on ordinary activities before tax	4,050	786
Taxation on profit on ordinary activities at the standard rate of corporation tax in the UK of 19% (2019: 19%)	769	149
Effects of:		
Fixed asset differences	48	146
Income not taxable for tax purposes	-	(75)
Adjustments in respect of timing differences	68	31
Adjustments in respect of prior periods	3	(4)
Deferred tax	(519)	-
Total tax charge/(credit) for period	369	247

The main rate of UK corporation tax remained constant at 19% effective from 1 April 2019. For further information on deferred tax balances see note 18.



# Enovert North Limited

Notes forming part of the financial statements  
for the year ended 31 December 2020 (*continued*)

## 10 Tangible assets

	Freehold land and buildings £'000	Long leasehold £'000	Plant and Machinery £'000	Total £'000
<i>Cost</i>				
At 1 January 2020	40,703	17,128	16,486	74,317
Additions	308	347	879	1,534
Transfers*	(14)	14	87	87
Disposals	(433)	(309)	(282)	(1,024)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2020	<b>40,564</b>	<b>17,180</b>	<b>17,170</b>	<b>74,914</b>
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation and impairment</i>				
At 1 January 2020	40,081	16,378	12,915	69,374
Charge for the year	103	180	1,498	1,781
Impairment	3	-	-	3
Transfers*	-	-	87	87
Disposals	(433)	(309)	(282)	(1,024)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2020	<b>39,754</b>	<b>16,249</b>	<b>14,218</b>	<b>70,221</b>
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>				
At 31 December 2020	<b>810</b>	<b>931</b>	<b>2,952</b>	<b>4,693</b>
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2019	622	750	3,571	4,943
	<hr/>	<hr/>	<hr/>	<hr/>

\*These transfers in were made from fellow group companies.

## 11 Stocks

	2020 £'000	2019 £'000
Raw materials	16	9
Parts	119	-
	<hr/>	<hr/>
	<b>135</b>	<b>9</b>
	<hr/>	<hr/>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

# Enovert North Limited

Notes forming part of the financial statements  
for the year ended 31 December 2020 (continued)

## 12 Debtors: amounts falling due within one year

	2020 £'000	2019 £'000
<b>Amounts due within one year</b>		
Trade debtors	2,772	3,412
Amounts owed to group undertakings	3,098	-
Social security and other taxes	2	2
Corporation tax	352	155
Prepayments and accrued income	1,191	1,136
	<u>7,415</u>	<u>4,705</u>
<b>Amounts due after more than one year</b>		
Deferred tax asset (note 18)	3,824	4,409
	<u>3,824</u>	<u>4,409</u>

## 13 Creditors: amounts falling due within one year

	2020 £'000	2019 £'000
Trade creditors	680	555
Amounts owed to group undertakings	-	136
Other creditors	5	-
Social security and other taxes	7,163	5,528
Accruals and deferred income	1,148	1,540
	<u>8,997</u>	<u>7,759</u>

Amounts owed to group undertakings are unsecured with no fixed date of repayment. Interest was charged on outstanding balances at rate of 2.17% (2019: 2.7%) during the year.

**Enovert North Limited**  
**Notes forming part of the financial statements**  
**for the year ended 31 December 2020 (continued)**

**14 Provisions for liabilities**

	<b>Landfill</b>				
	<b>Restoration</b>	<b>Aftercare</b>	<b>Insurance</b>	<b>Other</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
As at 1 January 2020	3,613	20,411	210	223	24,457
Charge for the year	(432)	(3,580)	(209)	77	(4,144)
Unwinding of discount (note 10)	-	530	-	-	530
Capitalised	72	-	-	-	72
Utilised	(470)	(720)	-	(19)	(1,209)
	<u>2,783</u>	<u>16,641</u>	<u>1</u>	<u>281</u>	<u>19,706</u>
At 31 December 2020	<b>2,783</b>	<b>16,641</b>	<b>1</b>	<b>281</b>	<b>19,706</b>

Landfill restoration provision is the future value of the minimum incremental costs to restore land after a specific cell's capacity is fully utilised and the cell is sealed. Full provision is made when the cell is brought into use.

The aftercare provision is the estimated cost following closure of future maintenance of the void utilised at landfill sites. The costs are estimated for a period of sixty years following closure. The aftercare provision is based on a number of assumptions, including a forecast of costs based on current legislative requirements, an inflation rate and a rate of discount to calculate the net present value of the provision. Any changes to these assumptions as a result of factors such as a change in the regulatory environment or economic developments, will impact the level of provision required. Consequently, the provision is kept under review and adjustments made when necessary.

In 2020 to calculate the net present value of landfill aftercare obligations a discount rate of 3.25% has been applied (2019: 3.5%). This is considered to reflect the current view on the time value of money and risks specific to the liabilities.

The insurance provision is in respect of the costs of claims which are not insured externally, and fall below the excess threshold of the group's insurance policies. Claims can take several years to be settled.

Other provisions include other landfill related provision as well potential claims made against the company and associated legal costs.

**15 Share capital**

	<b>Allotted, called up and fully paid</b>			
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>Number</b>	<b>Number</b>	<b>£'000</b>	<b>£'000</b>
Preference shares classified as equity	700,000	700,000	700	700
Ordinary shares of £1 each	100,000	100,000	100	100
	<u>800,000</u>	<u>800,000</u>	<u>800</u>	<u>800</u>

The authorised share capital in 2020 and 2019 is 100,000 shares of £1 each. Ordinary shares entitle the holders to one vote for each share held at any general meeting.

The ordinary shares have full rights to dividends, votes and surplus on winding up.

**Enovert North Limited**  
**Notes forming part of the financial statements**  
**for the year ended 31 December 2020 (continued)**

**15 Share capital (continued)**

The preference share capital as shown in the balance sheet comprises 700,000 of £1 each. All the preference shares have been allotted, called up and fully paid. There were no allotments during the year.

Preference shares have fixed cumulative preferential net cash dividends of 10% of the subscription price of the shares. The holders of preference shares have waived their rights to dividends for the current and prior year. They are not entitled to any further participation in the profits of the company, have no voting rights and on a return of capital on liquidation, assets available for distribution shall be applied first to repaying the holders of the preference shares.

The shares are redeemable at par value at the discretion of the issuer. The latest date at which the shares must be redeemed is the later of 30<sup>th</sup> April 2003 or when Enovert North Limited has sufficient distributable reserves.

**16 Contingent liabilities**

	2020 £'000	2019 £'000
Letters of credit held in favour of the Environment Agency	16,578	15,628
	<u>16,578</u>	<u>15,628</u>

One of the conditions to obtaining landfill permit is to satisfy the Environmental Agency that adequate financial provision is made to satisfy the potential aftercare cost once a site has closed. In order to satisfy this condition the company commits to a letter of credit or similar financial instrument.

**17 Pension commitments**

The company participates in the following defined contribution pension schemes:

The Cory Environmental Odyssey Replacement Pension;  
The Cory Environmental Nestor Replacement Pension;  
The Cory Environmental Pension Scheme; and  
The People's Pension.

These are run on behalf of the employees and operated by Enovert Management Limited in the United Kingdom. The assets of the schemes are held separately from those of the company in independently administered funds.

The total pension cost charge includes contributions payable by the company to the funds and amounted to £265k for the year (2019: £265k).

# Enovert North Limited

## Notes forming part of the financial statements for the year ended 31 December 2020 (continued)

### 18 Deferred taxation asset

	2020 £'000	2019 £'000
Deferred tax asset at beginning of year	4,409	4,675
Charge to income statement	(585)	(266)
	<hr/>	<hr/>
Deferred tax asset at end of year	3,824	4,409
	<hr/>	<hr/>

The deferred tax asset is made up of the following:

	2020 £'000	2019 £'000
Accelerated capital allowances	294	467
Long term timing differences - provisions	3,530	3,942
	<hr/>	<hr/>
	3,824	4,409
	<hr/>	<hr/>

The company has no unused tax losses or credits.

The deferred tax asset has been fully recognised on the basis that it is likely that the group will have suitable taxable profits in the future against which the underlying assets will reverse. The deferred tax assets include an amount of £3,530k (2019: £3,942k) in respect of timing differences arising from landfill provisions. Timing differences arise as a tax deduction for aftercare and restoration provisions is given on a cash basis and for cell and site preparation provision in respect of the proportion of the cell/site capacity filled during the period.

Further reversals (or further increases in deferred tax balances) may arise as a result of accelerated capital allowances and short term timing differences. As the future deferred tax balances, if any, will be dependent on future changes in values of assets and liabilities, it is not possible to estimate any future reversals.

Deferred tax has been valued using a corporation tax rate of 19% being the rate which was substantively enacted as at the balance sheet date where the timing differences were expected to unwind.

The UK Government announced at the Budget in March 2021 that the main rate of corporation tax would remain at 19% but will increase in April 2023 to 25% which is an increase of 6%. This legislation is yet to be substantively enacted.

### 19 Commitments under operating leases

The company had minimum lease payments under non-cancellable operating leases as set out below:

	2020 £'000	2019 £'000
Within one year	91	79
Between one and five years	88	97
Over five years	-	-
	<hr/>	<hr/>
	179	176
	<hr/>	<hr/>

# Enovert North Limited

## Notes forming part of the financial statements for the year ended 31 December 2020 (*continued*)

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Leases of land and buildings are typically subject to rent reviews at specified intervals.

During the year £80k (2019: £73k) of operating lease payments were recognised as an expense within cost of sales.

### 20 Ultimate parent undertaking and controlling party

The company's immediate parent undertaking is Enovert Management Limited which is the parent of the smallest group of which the company is a member and for which group financial statements are prepared.

At the balance sheet date, the company's ultimate parent undertaking and controlling party was Trebuchet Group Holdings Limited, a company incorporated in Bermuda.

Copies of the financial statements of Enovert Management Limited can be obtained from Companies house.

### 21 Reserves

The following describes the nature and purpose of each reserve within equity:

Reserve	Description and purpose
Profit and loss account	All other net gains and losses and transactions not recognised elsewhere.
Capital contribution reserve	Refers to waiver of £13k of the intercompany loan payable to Enovert Management Limited, the immediate parent company.