

VEOLIA ES AURORA LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022



VEOLIA ES AURORA LIMITED

COMPANY INFORMATION

Directors	Christophe Bellynck Valérie Isabelle Marie Clavié Celia Rosalind Gough Gavin Howard Graveson
Company secretary	Celia Rosalind Gough
Registered number	03297034
Registered office	210 Pentonville Road London N1 9JY
Independent auditor	Ernst & Young LLP No. 1 Colmore Square Birmingham B4 6HQ

VEOLIA ES AURORA LIMITED

CONTENTS

	Page
Strategic Report	1 - 6
Directors' Report	7 - 9
Directors' Responsibilities Statement	10
Independent Auditor's Report	11 - 13
Statement of Comprehensive Income	14
Balance Sheet	15
Statement of Changes in Equity	16
Notes to the Financial Statements	17 - 27

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

Introduction

The Directors present their Strategic report for the year ended 31 December 2022.

The principal activity of Veolia ES Aurora Limited ("the Company") is that of a holding company. The Company's investments include all subsidiaries that provide waste management services through the provision of Integrated Private Finance Initiatives ("PFI") contracts.

The Company is registered and domiciled in the United Kingdom.

The Company is part of the Veolia Group, ("the Group") which is defined as all companies under the control of the ultimate parent company, Veolia Environnement S.A., headquartered in Paris. The Company is also a member of the "UK&I group", a division of the Group, based in the UK and Ireland and involved in the provision of waste, water and energy services, and directly or indirectly under the ownership of Veolia UK Limited ("VUK").

Business review

During the year, the Company's profit after tax increased to £4,996k (2021: £1,750k), primarily due to an increase in the dividends received from the Company's subsidiaries of £4,900k (2021: £1,950k).

The Company paid no dividends during the year (2021: £nil) to its parent undertaking.

On 11 February 2022 the Company purchased 1 ordinary share, with a par value of £1 per share, from its interest in Rookery South Holding Limited ("RSH") for consideration of £17,702k. Furthermore Rookery South Limited ("RSL"), the subsidiary undertaking of RSH, entered into new financing arrangements with lenders on 22 December 2022 and drew down on the term facility on 26 January 2023 and as a result RSL fully repaid its outstanding loan notes with RSH who in turn fully repaid the loan notes due to the Company.

The Company has continued to act as a holding company during the year, and is expected to continue to do so in the future. The Directors continue to review potential acquisitions that will strengthen the UK&I group's presence in its current areas of activity. There were no significant acquisitions or disposals by the Company during the year.

The key financial performance indicators ("KPI's") for the UK&I group are Group centric and based on revenue, EBITDA & EBIT. As the Company incurs no revenue or cost of sales and minimal administrative expenses reporting on KPI's is not deemed to be relevant.

Section 172(1) statement

The Directors have ensured compliance with their duties under s.172(1) in relation to the Company and the various stakeholders of both the Company and its subsidiaries. These stakeholders include employees, main customers, suppliers, local communities and relevant regulatory authorities.

The Directors have ensured that the strategy, values and policies of the UK&I group have been adopted by the Company, as well as Veolia's purpose of ecological transformation. The Veolia Group is committed to taking an active role in the fight against climate change. In 2021, the Veolia UK&I group published its first Carbon Reduction Plan (updated in September 2022) and Net Zero Strategy which commits to achieve Net Zero GHG emissions by 2050.

Engagement with the Company's and its subsidiaries' stakeholders has informed the way in which the Directors have discharged their duties and addressed the principal risks and uncertainties as detailed below. Where individual Directors are not directly involved in the processes described below, regular feedback and discussions are held in relevant management teams.

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Section 172(1) statement (continued)

The Company has no direct employees, however the Directors recognise that the Company's and its subsidiaries' long-term success is predicated on the commitment of the employees of the subsidiaries. Via the UK&I group, employees are provided with relevant training using both in-house and external providers. Employees are given access to UK&I group information and updates via various channels including the intranet, webinars, Veolia TV, team meetings and focus groups. Feedback from the annual employee 'Voice of Resources' survey is disaggregated by business line function and reviewed by the UK&I Executive Committee. Information is benchmarked internally as well as externally against peer companies. Action plans to address key themes are formalised and monitored throughout the year. The Company's subsidiaries also engage with trade union representatives on site and via regular Joint Trade Union Forum meetings.

The Company's subsidiaries have regular engagement with their main customers, including through meetings and provision of financial and operational reports, as required. For the wider UK&I group, customer relationships are managed as follows:

- Communication with commercial customers takes place via the Veolia Customer Hub supported where necessary by dedicated account managers;
- Customer management is also conducted through face to face meetings, annual service reviews and the provision of technical advice as required;
- Relationships with municipal customers are managed by regular, often monthly meetings, together with quarterly or annual review processes where service obligations are assessed against contract targets;
- Customers are approached every year as part of the Net Promoter Score survey to provide feedback on the Company's services.

The Supply Chain Team within Veolia are responsible for sourcing the goods and services that are critical to the business as well as managing the associated supply chain risk in the UK and Ireland. National Category Managers in the Supply Chain department oversee the categories critical to the day-to-day delivery of Veolia's business operations, namely Operating Equipment & Supplies, Subcontracting, Mobile & Motorised Equipment, Energy & Chemicals, General Purchasing, Intellectual Services and IT & Telecommunications.

A key element of Veolia's supply chain strategy is to manage and reduce risk in respect of all suppliers and to ensure continuity in the supply chain. This is also part of its wider Business Continuity strategy. The UK&I group has achieved the Business Continuity standard ISO 22301. Evidence of supply chain continuity and risk reduction must be provided as part of achieving this standard e.g. Business Continuity clauses to be documented within contracts, sourcing strategies for business critical products/services etc.

Category plans ensure that the UK&I group is not dependent on single suppliers. Over 7,000 active suppliers exist in the UK&I group supplier database. The Supply Chain Team monitors the performance of key suppliers via appropriate KPIs and metrics depending on the goods and services supplied. Standard metrics include: health and safety performance, savings, continuous improvement and innovation, retrospective purchase orders and sustainability ratings. An annual due diligence campaign of the UK&I group top 500 critical suppliers is performed to ensure that relevant insurance and operating certificates and permits are in place.

Environmental and social responsibilities are at the core of the Veolia principles. Veolia always endeavours to use suppliers who share their desire to work in a responsible and ethical manner. The commitment to these responsibilities stretches into Veolia's supply chain. To demonstrate this core value, a number of key due diligence questions relating to corporate responsibility are incorporated into its onboarding questionnaires.

Veolia's supply chain policy is aligned to Business in the Community's (BitC) "Marketplace Responsibility Principles" and takes a proactive approach to working with ethical suppliers which include sustainable development, social and environmental criteria in its market testing and purchasing selection process.

The UK&I group's IT strategy is based around the following four pillars: digitalisation of customer experience, improving IT experience for employees, moving to the Cloud and installation of a data-driven culture. It is underpinned by ensuring that both employees and customers have the right information to make informed decisions.

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Section 172(1) statement (continued)

The UK&I group has introduced a programme to improve employee experience allowing the workforce to securely work anytime, anywhere and on any device through the adoption of SaaS or PaaS type solutions. The implementation of an omnichannel approach for customers allows for direct contact on any channel and the customer portal provides access to key information. In addition, management has successfully moved any remaining hosted service fully to the Cloud from its own premise data centre.

All of these pillars have a continuous improvement programme to ensure that the UK&I group continues to enhance the digital experience of its customers and employees. Moving forward the IT strategy is focused on the elimination of non-value-adding activities through automation and process redesign.

Due to the nature of the Company's and its subsidiaries' activities, along with the UK&I group activities, working with local communities and government bodies to promote all aspects of environmental, waste and energy management remains integral to the operations of the business. This is achieved through various initiatives, including inviting local schools and members of the local community to open days and tours of facilities within the UK&I group to promote the value of environmental matters (eg. recycling, energy efficiency, etc).

As regards principal decisions during the year, no dividend was paid, following consideration of the Company's ongoing financial position (including the level of distributable reserves, available cash and potential impairment risks), its stakeholders and any ongoing contractual discussions.

Principal risks and uncertainties

In common with all businesses, the Company recognises certain risk factors that are both external and internal to the Company. The Directors consider the principal risks and uncertainties to which the Company is exposed are intrinsic to the business it operates and its ability to provide the relevant contracted services.

The following highlights some of the particular risks, but is not intended to be an extensive analysis of all risks affecting the business. Some risks may be unknown to the Company and other risks, currently regarded as immaterial, could turn out to be material. All of them have a potential to impact the Company's business, revenue, profits, assets, liquidity and capital resources adversely. The Company manages the majority of these risks by utilising the resources and processes developed and operated within the UK&I group as whole. The Company's principal risks are set out below.

Contractual risk

The Company's business is affected by the reliability of its subsidiaries, joint ventures and associates to pay dividends. The subsidiaries' businesses are conducted through contract-based agreements. Therefore, the business may be adversely affected by a failure to perform in terms of the relevant contract. The UK&I group has a structured formal project authorisation and review procedure which aims to ensure legal, operational, technical and commercial risks are properly considered before the initial exchange of contracts, or significant contract alterations, with its customers.

Risks associated with meeting the terms of a contract are mitigated through on-going day to day management of the operations of the contract including tracking performance against budget and targets identified in the contract. Performance is reviewed monthly by operational management and members of the Board. Contracts identified to be at risk are subject to specific initiatives to improve performance. Larger contracts and business units are reviewed at a UK&I group level on a monthly basis.

The subsidiaries', joint ventures' and associates' longer term inability to pay dividends, or decline in performance may result in an impairment of the Company's investment in that subsidiary, which will have a direct impact on the Company's results in the year and net assets going forward.

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Business continuity

The UK&I group is accredited with ISO 22301 (Business Continuity Management) and the Company and its subsidiaries maintain a business continuity plan for each area of its operations, including the associated IT infrastructure, so should the unexpected happen, there is a predetermined plan in place to allow the business to recover and to continue servicing its customers with as little disruption as possible. These plans include sharing of site infrastructure within the UK&I group, the use of external suppliers who specialise in disaster recovery scenarios and leveraging other Group relationships.

The risk of loss of specialist personnel is also actively managed ensuring that annual performance development discussions are completed and that remuneration is benchmarked annually against industry standards.

The UK&I group acknowledges the need to ensure the ongoing effectiveness of its cybersecurity controls. Management has reviewed advice from the UK's National Cyber Security Centre ('NCSC') and undertakes NIST-based risk assessments across all technical and organisational controls. Results of these assessments are used to apply a particular focus on resilience and recovery capabilities. The scope of assessment includes the following:

- Vulnerability management services;
- Access controls;
- Edge and physical security;
- Log monitoring and analysis;
- Backup and recovery;
- Incident management;
- Phishing response;
- Third-party access;
- NCSC services;
- Staff awareness and education.

Any findings are added to the UK&I group continuous improvement plan, with opportunities for improvement flagged for priority treatment. These actions are in addition to the routine operation of the UK&I group's cybersecurity framework.

Health and safety, quality and environment

Management are committed to the UK&I group's corporate, legal and social responsibilities for health and safety, quality and the environment.

The UK&I group adopts a proactive risk approach to health, safety and the wellbeing of its customers and colleagues. Staff are trained in accordance with recognised trade bodies, giving confidence that advice is both credible and current. This is guided by the suite of Veolia Minimum Requirements ("VMR") documents that go beyond the recognised legislative expectations for keeping people safe, protecting the environment, as well as providing high standards of service to customers. Role specific training and activity instructions for our operational people is delivered as part of our VMR toolkits.

The UK&I group belongs to the Environmental Services Association ("ESA") and is an active member of Waste Industry Safety and Health ("WISH") Forum, helping to drive up standards across the industry. Working with the ESA, the UK&I group plays a leading role in defining health and safety standards in the waste industry. Guidance published includes Risk Assessment, Competency & Mental Health.

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Health and safety, quality and environment (continued)

Examples of the UK&I group's active risk strategy include:

- **High Visibility Clothing** - Development of a new range of two-colour PPE clothing using recycled polyester that makes it easier for the human eye to judge distance as well as providing improved breathability;
- **Annual Safety Week** campaign built upon previous years where everyone in the business was encouraged to submit safety innovations and improvements. Over 600 ideas were submitted with the best ideas to be rolled out across the business;
- **Veolia Operational Excellence Programme** for managers which has been created in partnership with Chartered Institute of Waste Management (CIWM). This is an integrated programme for our managers which covers all aspects of their role incorporating safety, technical and people.

Providing Assurance

In 2022, the UK&I group continued its assurance programme against the VMR using a three lines of defence model which covered over 173,000 VMR requirements:

- **First Line** - Monthly Site Managers VMR reviews (covers 100% of VMR over 12 months);
- **Second Line** - Risk based VMR Audits undertaken by the Risk & Assurance team; and
- **Third Line** - External Audits of over 77 locations audited against VMR requirements and to maintain certification to ISO 9001 (Quality), ISO 14001 (Environmental) and ISO 45001 (Health and Safety).

Across the first and second lines of defence, over 92% of VMR requirements were met or have an improvement plan in place. This has enabled management to undertake detailed trend analysis, which along with the incident review process has enabled the development of business improvement plans and a risk based audit programme.

The UK&I group actively encourages staff to report close calls (near miss / safety concerns), as they enable management to take action to help prevent accidents from occurring. In 2022, over 31,000 close calls were reported, which is a 10% increase from the previous year.

The UK&I group Reporting of Injuries, Diseases and Dangerous Occurrences Regulations ("RIDDOR") statistics show a reduction of 27% in reportable injuries, and an 18% overall reduction in accidents that resulted in lost time or modified duties. During 2022 there was greater focus on identifying and investigating high potential close calls (near misses / safety concern) in order to prevent accidents and incidents.

Financial risks

It is the Company's objective to manage its financial risks so as to minimise the adverse effects of fluctuations in the financial markets on its profits and cash flows. The Company utilises the resources of the UK&I group to implement risk controls and loss mitigation plans to manage exposure to these risks. Policies for managing these risks are summarised below:

- **Credit risk**

The Company and its subsidiaries are exposed to counterparty risk in various areas of the operating and treasury activities.

The Company participates in Group centralised treasury arrangements, with the UK&I group being in a net deposit position, and so shares banking and intercompany loan arrangements with the Group, VUK and other UK members of the Group, which are also provided with support from VUK. As set out in the going concern section, the Company has assessed the credit risk of the Group and VUK and considers that they are well placed to provide support and facilitate the repayment of any debts as they fall due.

The Company's subsidiaries have a large number of long-term and short-term contracts with well-established customers, including local authorities. For this risk to result in significant financial loss to the Company it would require a number of customers to fail to honour their contractual obligations. The likelihood of this is considered low given the nature of the Company's broad customer base.

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Financial risks (continued)

- **Credit risk(continued)**

The UK&I group has a specific credit management team as well as procedures in place to monitor and recover customer and intercompany debt. The carrying amount of trade and other debtors, and cash and cash equivalents represent the Company's maximum exposure to credit risk.

- **Interest risk**

The Company both borrows and lends funds via VUK, at floating rates of interest, priced according to a GBP index based on Sterling Overnight Interbank Average Rates ("SONIA"). Changes in the Bank of England base rate may therefore impact interest charges and income.

- **Liquidity risk**

The Company, along with other entities within the UK&I group, is party to cash pooling arrangements with VUK, whereby each member deposits cash excesses and may borrow money in the form of short-term advances. Amounts are swept on a daily basis and held on overnight deposit with the Group. At the year end VUK was in a net surplus position. VUK has an additional overdraft facility with the Group which remains unutilised. Cash forecasts are regularly prepared and submitted to the Group for review to ensure that the liquidity profile of the UK&I group is actively monitored. The Group has confirmed that the UK&I group will continue to have access to these balances as required for their activities. As outlined under Going Concern, the Directors of the Company have concluded that, if required, the Group would be able to provide financial support to VUK, which in turn would be able to provide financial support to the Company for the periods stipulated.

- **Foreign exchange risk**

The Company has limited exposure to foreign currency risk in its normal activities as it operates in the UK and most of its transactions are denominated in pound sterling. At each reporting date, where necessary, all financial assets and financial liabilities are revalued and denominated in pound sterling.

This report was approved by the board on 29 September 2023 and signed on its behalf.

Valerie Clavie
Valerie Clavie (Sep 29, 2023 14:06 GMT+2)

Valérie Isabelle Marie Clavié
Director

Sep 29, 2023

VEOLIA ES AURORA LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors present their report and the financial statements for the year ended 31 December 2022.

As permitted, certain information regarding the Company, including a review and analysis of the development and performance of the Company's business during the year, the Company's policies for employee and stakeholder engagement and a description of the principal risks and uncertainties facing the Company are contained within the Strategic report.

Results and dividends

The profit for the year, after taxation, amounted to £4,996k (2021: £1,750k).

There were no dividends paid in the year under review (2021: £nil).

Directors

The Directors who served during the year and to the date of this report were:

Christophe Bellynck
Valérie Isabelle Marie Clavié
Celia Rosalind Gough
Gavin Howard Graveson

No Director has, or has had, a material interest in the Company, directly or indirectly at any time during the year.

Directors' indemnity

The Directors are entitled to be indemnified by the Company to the extent permitted by law in respect of losses arising out of, or in connection with, the execution of their powers, duties and responsibilities. Veolia Environnement S.A., the Company's ultimate parent company, maintains Directors' and Officers' liability insurance for the Directors in respect of their duties as directors. Such qualifying third party indemnity provision was in place throughout the period and remains in force as at the date of approving the Directors' report. Neither the indemnities nor the insurance provide cover in the event that the Director is proved to have acted fraudulently.

Going concern

The Company's Balance Sheet shows net assets of £47,239k (2021: £42,243k), and at year end reported net current assets of £6,378k (2021: £19,084k). The Company participates in the Group centralised treasury arrangements and so shares banking and intercompany loan arrangements with the Group, VUK and other UK based fellow subsidiaries. The Company is managed as part of the UK&I group and budgets and forecasts are prepared at that level. The UK&I group's forecasts and budgets identify that the UK&I group is expected to remain cash generative and therefore be able to meet its liabilities as they fall due for the period until 31 December 2024. A key assumption in the UK&I group's forecasts is the continuing availability of funds that are swept into the Group Treasury cash pooling arrangements and the intercompany loans provided by the Group to VUK and other UK based fellow subsidiaries.

VUK has received a letter of financial support from the UK&I group's ultimate parent company, Veolia Environnement S.A., which confirms that the Group, if required, will provide financial support to VUK for the period until 31 December 2024. VUK has in turn provided a letter of support to the Company to confirm that VUK will, if required, provide financial support to the Company for the same period.

The Directors of VUK have considered the information regarding the Group's ability to provide support to VUK. This includes reviewing the most recent publicly available financial information and making inquiries of the Group to confirm the position through to the date of approval of these financial statements. As a result the Directors of the Company have concluded that the Group has sufficient liquidity to provide any required support and to withstand reasonable stress testing.

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Going concern (continued)

The Directors of the Company have concluded that, if required, the Group will be able to provide financial support to VUK, who in turn will be able to provide financial support to the Company, for the period until 31 December 2024. Accordingly, the Directors are satisfied that they have a reasonable basis upon which to conclude that the Company is able to meet its liabilities as they fall due in the foreseeable future and that it remains appropriate to prepare the financial statements on a going concern basis.

Streamlined Energy and Carbon Reporting Framework Regulations

The Company is an intermediate holding company which prepares accounts on a stand-alone basis. The Company itself does not generate any emissions and therefore no such disclosures have been included.

Future developments

The Directors have considered the impact of the ongoing conflict and related sanctions in Ukraine, Russia and Belarus and remain confident of the ability of the Company and its subsidiaries to continue to meet its customers' demands.

Although there are continuing pressures on inflation and interest rates generally, and while potential disruption to supply chain lead times remain, the Directors consider the Company, along with other members of the UK&I group, remains well placed in all aspects of the environmental, waste and energy management industry.

Financial instruments

Financial instruments give rise to foreign currency, interest rate, credit, price and liquidity risk. Information on how these risks arise is set out in the Strategic report.

Due to the use of facilities from the Group, denominated in pound sterling, the Company has minimal exposure to external loans and overdrafts and has limited exposure to foreign exchange as most of its trade and expenses are incurred in pound sterling. Other financial assets and liabilities, such as trade debtors and trade creditors, arise directly from the Company's operating activities.

The Company's loans and borrowings are all denominated in pound sterling and therefore the Company has no foreign currency exposure on its financing. The Company's loans and borrowings are tied to SONIA with interest rates being reset each quarter. The Directors consider that SONIA rates will continue to remain aligned to the Bank of England base rate.

It is, and has been throughout the period under review, the Company's policy that no trading in speculative derivative financial instruments shall be undertaken.

Post balance sheet events

On 24 March 2023, the Company received a dividend from its subsidiary, Onyx SELCHP Investments Limited ("OSIL"), in the sum of £3,200k. This was a pass through of dividends received by OSIL in 2022 and held by OSIL as cash as at 31 December 2022.

RSH and RSL entered into new financing arrangements with lenders on 22 December 2022 and drew down on the term facility on 26 January 2023 and as a result RSL fully repaid its outstanding loan notes with RSH who in turn fully repaid the loan notes due to the Company (as referred to in the related parties note 16.)

Furthermore on 2 February 2023 the Company received a dividend of £40,000k from RSH.

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Disclosure of information to auditor

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

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

Auditor

Under section 487(2) of the Companies Act 2006, Ernst & Young LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board on 29 September 2023 and signed on its behalf.

Valerie Clavie
Valerie Clavie (Sep 29, 2023 14:06 GMT+2)
Valérie Isabelle Marie Clavié
Director

Sep 29, 2023

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022**

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101"). 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 judgments and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in FRS 101 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the group and company financial position and financial performance;
- state whether applicable UK Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

In addition, the Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VEOLIA ES AURORA LIMITED

Opinion

We have audited the financial statements of Veolia ES Aurora Limited (the 'Company') for the year ended 31 December 2022, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 18, 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 101 'Reduced Disclosure Framework' (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 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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 United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the period under review to 31 December 2024.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

Other information

The other information comprises the information included in the Annual 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. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VEOLIA ES AURORA LIMITED (CONTINUED)

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement set out on page 10, 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.

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 these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VEOLIA ES AURORA LIMITED (CONTINUED)

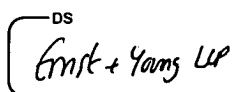
Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud (continued)

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are those that relate to the reporting framework (FRS 101 and the Companies Act 2006) and compliance with the relevant direct and indirect tax regulation in the United Kingdom. In addition, the Company has to comply with laws and regulations relating to its operations, including health and safety, environmental and General Data Protection Regulation ("GDPR");
- We understood how Veolia ES Aurora Limited is complying with those frameworks by making enquiries of management to understand how the Company maintains and communicates its policies and procedures in these areas. We read the minutes of the UK&I Executive Committee, made inquiries of Legal and Internal Control departments to identify if there are matters where there is a risk of breach of such frameworks that could have a material adverse impact on the Company. We understood controls put in place by management to reduce the opportunities for fraudulent transactions;
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by discussing with senior finance personnel and those charged with governance as to the rationale behind the specific accounting transactions. Each material financial transaction in the year was verified through recalculation or agreement to supporting source documentation. Due to the nature of the Company, as a holding company of wholly owned group subsidiaries we have not identified any risk of material misstatement;
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures were as set out above. The results of our procedures did not identify any instances of irregularities, including fraud.

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. This description forms part of our Auditor's Report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an 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.

^{DS}
Ernst & Young LLP

Helen Hemming (Senior Statutory Auditor)
for and on behalf of
Ernst & Young LLP (Statutory Auditor)
Birmingham

Date:

29 September 2023

VEOLIA ES AURORA LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 £000	2021 £000
Administrative expenses		(4)	(7)
Operating loss	4	(4)	(7)
Income from fixed asset investments	7	4,900	1,950
Interest receivable and similar income	8	1,161	458
Interest payable and similar expenses	9	(1,038)	(698)
Profit before tax		5,019	1,703
Tax on profit	10	(23)	47
Profit for the financial year		4,996	1,750
Other comprehensive income		-	-
Total comprehensive income for the year		4,996	1,750

VEOLIA ES AURORA LIMITED
REGISTERED NUMBER:03297034

BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £000	2021 £000
Fixed assets			
Investments	11	53,861	36,159
		<u>53,861</u>	<u>36,159</u>
Current assets			
Debtors: amounts falling due after more than one year	12	2,250	2,750
Debtors: amounts falling due within one year	12	18,223	23,271
		<u>20,473</u>	<u>26,021</u>
Creditors: amounts falling due within one year	13	(14,095)	(6,937)
Net current assets		<u>6,378</u>	<u>19,084</u>
Total assets less current liabilities		<u>60,239</u>	<u>55,243</u>
Creditors: amounts falling due after more than one year	14	(13,000)	(13,000)
		<u>47,239</u>	<u>42,243</u>
Net assets		<u><u>47,239</u></u>	<u><u>42,243</u></u>
Capital and reserves			
Called up share capital	15	37,000	37,000
Profit and loss account		10,239	5,243
		<u><u>47,239</u></u>	<u><u>42,243</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 September 2023.

Valerie Clavie
Valerie Clavie (Sep 29, 2023 14:06 GMT+2)
Valérie Isabelle Marie Clavié
Director

Sep 29, 2023

VEOLIA ES AURORA LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called up share capital £000	Profit and loss account £000	Total equity £000
At 1 January 2021	37,000	3,493	40,493
Comprehensive income for the year			
Profit for the year	-	1,750	1,750
At 1 January 2022	37,000	5,243	42,243
Comprehensive income for the year			
Profit for the year	-	4,996	4,996
At 31 December 2022	37,000	10,239	47,239

The notes on pages 17 to 27 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1. General information

Veolia ES Aurora Limited is a private company limited by shares, incorporated in England and Wales.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The Company's financial statements are presented in pound sterling and all values are rounded to the nearest thousand pound sterling (£000) except when otherwise indicated.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard 101 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

2.3 Ultimate controlling party

The Company has taken advantage of the exemption under s400 of the Companies Act 2006 not to prepare group accounts as it is a wholly owned subsidiary of Veolia Environnement S.A. (incorporated in France). Copies of the consolidated financial statements of Veolia Environnement S.A. can be obtained from the registered office at 21 rue La Boétie, 75008 Paris, France. These accounts therefore only present the results of the Company as an individual entity.

In addition, the Company is also consolidated in the consolidated financial statements of Veolia Environmental Services Group (UK) Limited, an intermediate parent undertaking. Copies of the consolidated financial statements for Veolia Environmental Services Group (UK) Limited are available from the registered office at 210 Pentonville Road, London, N1 9JY.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.4 Going concern

The Company's Balance Sheet shows net assets of £47,239k (2021: £42,243k), and at year end reported net current assets of £6,378k (2021: £19,084k). The Company participates in the Group centralised treasury arrangements and so shares banking and intercompany loan arrangements with the Group, VUK and other UK based fellow subsidiaries. The Company is managed as part of the UK&I group and budgets and forecasts are prepared at that level. The UK&I group's forecasts and budgets identify that the UK&I group is expected to remain cash generative and therefore be able to meet its liabilities as they fall due for the period until 31 December 2024. A key assumption in the UK&I group's forecasts is the continuing availability of funds that are swept into the Group Treasury cash pooling arrangements and the intercompany loans provided by the Group to VUK and other UK based fellow subsidiaries.

VUK has received a letter of financial support from the UK&I group's ultimate parent company, Veolia Environnement S.A., which confirms that the Group, if required, will provide financial support to VUK for the period until 31 December 2024. VUK has in turn provided a letter of support to the Company to confirm that VUK will, if required, provide financial support to the Company for the same period.

The Directors of VUK have considered the information regarding the Group's ability to provide support to VUK. This includes reviewing the most recent publicly available financial information and making inquiries of the Group to confirm the position through to the date of approval of these financial statements. As a result the Directors of the Company have concluded that the Group has sufficient liquidity to provide any required support and to withstand reasonable stress testing.

The Directors of the Company have concluded that, if required, the Group will be able to provide financial support to VUK, who in turn will be able to provide financial support to the Company, for the period until 31 December 2024. Accordingly, the Directors are satisfied that they have a reasonable basis upon which to conclude that the Company is able to meet its liabilities as they fall due in the foreseeable future and that it remains appropriate to prepare the financial statements on a going concern basis.

2.5 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is pound sterling.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

2.6 Interest receivable

Interest receivable consists of income from amounts owed by Group fellow subsidiaries.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.7 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount.

2.8 Taxation

Tax is recognised in the Statement of Comprehensive Income except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date in the countries where the Company operates and generates income.

2.9 Valuation of investments

The Company records its investments at historical cost less impairment. The investments are reviewed regularly, at least annually, for signs of impairment. Should there be evidence of impairment, the quantum of that impairment will be assessed by the use of a discounted cash flow analysis of that investment. Any impairment may be reversed in subsequent years if there is a significant improvement in the subsidiaries' performance but the revised value of the investment will not exceed its historic cost.

2.10 Financial instruments

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets and financial liabilities are initially measured at fair value. Loans receivable or payable on demand are classed as short-term and hence are not discounted.

Financial assets

The Company recognises its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired.

Cash and cash equivalents

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

Financial assets at amortised cost

These comprise loans and debtors which are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade debtors), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.10 Financial instruments (continued)

Impairment of financial assets

The Company recognises an allowance for expected credit losses ("ECLs") for all financial assets subsequently measured at amortised cost. The Company calculates ECLs by utilising historic default rates for different customers' profiles. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. Furthermore, the assessment of ECLs takes into consideration the following:

- for credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12 month ECL);
- for those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire or when it transfers the contractual rights to the cash flows from the financial asset in a transaction under which nearly all the rights and obligations inherent to ownership of the financial asset are transferred. Any interest created or retained by the Company in a financial asset is recognised separately as an asset or liability.

Financial liabilities

The Company classifies its financial liabilities into one of the categories discussed below, depending on the purpose for which the liability was acquired.

Financial liabilities at amortised cost

Financial liabilities at amortised cost including bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried into the Balance Sheet.

Derecognition of financial liabilities

A liability is derecognised when the contract that gives rise to it is settled, sold, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability, such that the difference in the respective carrying amounts together with any costs or fees incurred are recognised in profit or loss.

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

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be appropriate under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

3. Judgments in applying accounting policies (continued)

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

Estimates

The following assumptions involving estimates have had the most significant effect on amounts recognised in the financial statements:

- **Impairment of investments**

The financial statements include investments in subsidiaries and these are reviewed for indicators of impairment. Where impairment reviews are required, assumptions have been made, largely around the timing and scale of future profitability, for calculating the future value of the in order to impair the values or reverse previous impairments, in accordance with the findings described (see note 11).

With the exception of the assumptions made in respect of the valuation of its investment holdings, management have not made any material estimates or judgments that may result in a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. Operating loss

	2022	2021
	£000	£000
Items charged to operating loss:		
Auditor's remuneration for audit of the financial statements (the Company)	11	7
	<u> </u>	<u> </u>

5. Employees

The Company has no employees other than the Directors (see note 6).

6. Directors' remuneration

The Directors are paid by, and perform services for, other companies within the Group alongside their services to this Company. Whilst not being paid by the Company, in 2022, the Directors' costs have been apportioned to the principal companies they serve within the UK&I group. Had the Directors' costs been recharged to all the companies those Directors serve, the Company would have incurred £14k (2021: £12k) of Directors' emoluments, including £nil (2021: £nil) of pension contributions.

7. Income from fixed asset investments

	2022	2021
	£000	£000
Interim dividends received from Group fellow subsidiaries	4,900	1,950
	<u> </u>	<u> </u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

8. Interest receivable

	2022	2021
	£000	£000
Interest receivable from Group fellow subsidiaries	278	352
Interest receivable from Group joint ventures and associates	883	106
	1,161	458

9. Interest payable and similar expenses

	2022	2021
	£000	£000
Bank and similar charges	1	-
Interest payable to Group fellow subsidiaries	1,037	698
	1,038	698

10. Taxation

	2022	2021
	£000	£000
Corporation tax		
Current tax on profits for the year	23	(47)
Total current tax	23	(47)

Factors affecting tax charge for the year

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

	2022	2021
	£000	£000
Profit on ordinary activities before tax	5,019	1,703
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)	954	324
Effects of:		
Non-taxable dividend income	(931)	(371)
Total tax charge/(credit) for the year	23	(47)

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

11. Investments

	Investments in subsidiary companies £000	Investments in joint ventures and associates £000	Total £000
Cost or valuation			
At 1 January 2022	38,622	-	38,622
Additions	-	17,702	17,702
At 31 December 2022	38,622	17,702	56,324
Impairment			
At 1 January 2022	2,463	-	2,463
At 31 December 2022	2,463	-	2,463
Net book value			
At 31 December 2022	36,159	17,702	53,861
<i>At 31 December 2021</i>	<i>36,159</i>	<i>-</i>	<i>36,159</i>

On 11 February 2022 the Company purchased 1 ordinary share, with a par value of £1 per share, from its interest in RSH for consideration of £17,702k.

All the Company's direct and indirect holdings in subsidiaries, joint ventures associate undertakings are shown below and are registered at one of the following locations:

- 210 Pentonville Road, London N1 9JY ("210");
- James Road, Tyseley, Birmingham, B11 2BA ("James");
- Floor 4, Lynton House, 7-12 Tavistock Square, London, England, WC1H 9LT ("Floor 4").

11.1 Direct subsidiary undertakings

Name	Registered address	Class of shares	Holding	Principal activity
Hampshire Waste Services Limited	210	Ordinary	100%	Waste disposal under PFI contracts
Onyx SELCHP Investments Limited	210	Ordinary	100%	Holding company
Onyx Springfield Limited	210	Ordinary	100%	Dormant entity
Sheffield Environmental Services Limited	210	Ordinary	100%	Waste disposal under PFI contracts
South Downs Waste Services Limited	210	Ordinary	100%	Waste disposal under PFI contracts
Veolia ES Hampshire Limited	210	Ordinary	100%	Waste disposal under PFI contracts
Veolia ES Hertfordshire Limited	210	Ordinary	100%	Dormant entity

VEOLIA ES AURORA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

11.1 Direct subsidiary undertakings (continued)

Veolia ES Leeds Limited	210	Ordinary	100%	Waste disposal under PFI contracts
Veolia ES Merseyside & Halton Limited	210	Ordinary	100%	Waste disposal under PFI contracts
Veolia ES Montenay Limited	210	Ordinary	100%	Holding company
Veolia ES Nottinghamshire Limited	210	Ordinary	100%	Waste disposal under PFI contracts
Veolia ES SELCHP Limited	210	Ordinary	100%	Waste disposal
Veolia ES Sheffield Limited	210	Ordinary	100%	Waste disposal under PFI contracts
Veolia ES Shropshire Limited	210	Ordinary	100%	Waste disposal under PFI contracts
Veolia ES South Downs Limited	210	Ordinary	100%	Waste disposal under PFI contracts
Veolia ES Southwark Limited	210	Ordinary	100%	Waste disposal under PFI contracts
Veolia ES Staffordshire Limited	210	Ordinary	100%	Waste disposal under PFI contracts
Veolia ES Telford & Wrekin Limited	210	Ordinary	100%	Waste disposal under PFI contracts
Veolia ES West Berkshire Limited	210	Ordinary	100%	Waste disposal under PFI contracts

11.2 Direct joint ventures and associate undertakings

Name	Registered address	Class of shares	Holding	Principal activity
Rookery South Holding Limited	Floor 4	Ordinary	20%	Holding company

11.3 Indirect subsidiaries, joint ventures and associate undertakings

Name	Registered address	Class of shares	Holding	Principal activity
Veolia ES Birmingham Limited	James	Ordinary	100%	Waste disposal under PFI contracts
South East London Combined Heat And Power Limited	210	Ordinary	50%	Waste management
Rookery South Limited	Floor 4	Ordinary	20%	

VEOLIA ES AURORA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

12. Debtors

	2022 £000	2021 £000
Amounts falling due after more than one year		
Long-term loans owed by Group fellow subsidiaries	2,250	2,750
	2022 £000	2021 £000
Amounts falling due within one year		
Short-term loans owed by Group fellow subsidiaries	5,563	22,555
Short-term loans owed by Group joint ventures and associates	16 12,636	628
Corporation tax recoverable	24	88
	18,223	23,271

Management have considered whether short term loans with fellow subsidiaries should be considered fixed asset investments and have concluded that they should be considered short-term receivables as they are repayable on demand and it is the intention for loan balances to be settled as part of a wider rationalisation of the UK&I group entity structure.

13. Creditors: Amounts falling due within one year

	2022 £000	2021 £000
Amounts owed to Group fellow subsidiaries	8	-
Short-term loans owed to Group fellow subsidiaries	14,087	6,937
	14,095	6,937

14. Creditors: Amounts falling due after more than one year

	2022 £000	2021 £000
Long-term loans owed to Group fellow subsidiaries	13,000	13,000

15. Share capital

	2022 £000	2021 £000
Allotted, called up and fully paid		
37,000,000 (2021: 37,000,000) ordinary shares of £1.00 each	37,000	37,000

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

16. Related party transactions

During the year the Company entered into transactions, in the ordinary course of business, with related parties. The Company has taken advantage of the exemption under paragraph 8(k) of FRS 101 not to disclose transactions with fellow wholly owned subsidiaries.

Balances outstanding as at 31 December 2022 with all related parties are disclosed in notes 12, 13 and 14.

There were no trading transactions entered into during the year to 31 December 2022 with other related parties.

Loans due from joint ventures and associates

	2022	2021
	£000	£000
Rookery South Holding Limited ("RSH")	12,636	-
South East London Combined Heat and Power Limited	-	628
	<u>12,636</u>	<u>628</u>

On 11 February 2022 the Company entered into a loan arrangement with RSH. At 31 December 2022 the balance due from RSH included the principal balance of £11,801k and accrued compound interest of £836k. Interest is accrued on the loan notes at 8% per annum, and receivable in either cash or paid-in-kind ("PIK") half yearly in arrears on 30 June and 31 December. This loan was repaid in full on 26 January 2023 as per described in note 17.

South East London Combined Heat and Power Limited's loan totalling £628k at 31 December 2021 was repaid in full during the year.

17. Post balance sheet events

On 24 March 2023, the Company received a dividend from its subsidiary, Onyx SELCHP Investments Limited ("OSIL"), in the sum of £3,200k. This was a pass through of dividends received by OSIL in 2022 and held by OSIL as cash as at 31 December 2022.

RSH and RSL entered into new financing arrangements with lenders on 22 December 2022 and drew down on the term facility on 26 January 2023 and as a result RSL fully repaid its outstanding loan notes with RSH who in turn fully repaid the loan notes due to the Company (as referred to in the related parties note 16.)

Furthermore on 2 February 2023 the Company received a dividend of £40,000k from RSH.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

18. Immediate parent and controlling party

The immediate parent company is Veolia Environmental Services Group (UK) Limited, a company incorporated in the UK.

Veolia Environmental Services Group (UK) Limited is an intermediate parent undertaking that prepares consolidated financial statements, including Veolia ES Aurora Limited, which are publicly available. Copies of the consolidated financial statements for Veolia Environmental Services Group (UK) Limited are available from the registered office at 210 Pentonville Road, London, N1 9JY.

The ultimate parent and controlling company is Veolia Environnement S.A., a company incorporated in France. Consolidated financial statements are prepared by Veolia Environnement S.A. Copies of the consolidated financial statements for Veolia Environnement S.A. are available from the registered office at 21 rue La Boétie, 75008 Paris, France.