



**Viridor Oxfordshire Limited**

**Annual Report and Financial Statements**

**for the Year Ended 31 March 2023**

TUESDAY



\*ACHPSRBE\*

A04

05/12/2023

#58

COMPANIES HOUSE

## **Viridor Oxfordshire Limited**

### **Contents**

Strategic Report	1 to 3
Directors' Report	4 to 5
Statement of Directors' Responsibilities	5
Income Statement	6
Statement of Comprehensive Income	7
Statement of Financial Position	8
Statement of Changes in Equity	9
Statement of Cash Flows	10
Notes to the Unaudited Financial Statements	11 to 34

## **Viridor Oxfordshire Limited**

### **Strategic Report for the Year Ended 31 March 2023**

The directors present their strategic report for the year ended 31 March 2023.

#### **PRINCIPAL ACTIVITIES**

The principal activity of the company is the operation of an Energy Recovery Facility (ERF) at Ardley, Oxfordshire.

#### **BUSINESS REVIEW**

##### **Financial results**

Revenue increased by £14,021,000 from last year to £67,504,000 (2022: £53,483,000). This was driven by improvements in the operational and commercial performance of the Energy Recovery Facility, alongside positive macroeconomic conditions.

Operating profit before interest, tax and depreciation, was £51,587,000 (2022: £39,491,000). The operating margin increased to 76% (2022: 74%).

Net finance costs were £1,286,000 (2022: £36,892,000).

The Company's taxation position results in a charge for current tax of £4,144,000 (2022: £7,258,000) and a charge for deferred tax of £760,000 (2022: £361,000).

##### **Investment**

Capital expenditure in the year totalled £5,941,000 (2022: £998,000). The Company is committed to ensuring the facilities and equipment used in its operations continue to meet the highest environmental standards.

##### **Financing**

Significant funding facilities are in place to cover both medium and long-term requirements, including finance leasing and loans from the parent companies and or fellow subsidiaries. The Directors confirm that the Company can meet its short-term requirements from existing facilities without breaching covenants or other borrowing restrictions.

##### **Dividends and reserves**

No interim dividends were paid in the year (2022: no dividends were paid). The Directors do not recommend the payment of a final dividend (2022: nil).

The transfer to retained earnings for the year was £38,908,000 (2022: loss of £(10,865,000)).

The balance in retained earnings at 31 March 2023 is £44,077,000 (2022: £5,169,000).

##### **Principal risks and uncertainties**

The principal risks and uncertainties of the Company are integrated with the principal risks of the Viridor Energy (Investments One) Limited Group and are not separately managed. The principal risks and uncertainties of Viridor Energy (Investments One) Limited, which include those of the Company, are discussed on pages 9 to 11 of Viridor Energy (Investments One) Limited's Annual Report and Financial Statements, which does not form part of this report.

##### **Financial risk management**

The Company's activities expose it to a variety of financial risks: market risk (interest rate risk), liquidity risk and credit risk. Further information on the Company's management of these risks is given in note 3 of these financial statements.

##### **Key performance indicators ('KPI's)**

The directors of Viridor Limited manage the Viridor Group's operations on a fully integrated basis. For this reason, the Company's Directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of the Company. The development, performance and position of the Viridor Group's operations, including those of the Company, are discussed on pages 2 to 11 of Viridor Limited's Annual Report and Accounts which does not form part of this Report.

## **Viridor Oxfordshire Limited**

### **Strategic Report for the Year Ended 31 March 2023 (continued)**

#### **Section 172 Statement**

The directors are aware of their duty under section 172 of the Companies Act 2006 to act in a way which they consider in good faith, would be most likely to promote the success of the Company for the benefit of the members as a whole and, in doing so, have regard to the matters set out in section 172(1) (a) - (f). Examples of how the Board approaches its decision making, in light of its obligations under section 172, and ensuring wider stakeholder engagement, are set out below.

##### *The likely consequences of any decision in the long term*

Our strategic objectives, which are set and monitored through a rolling long-term strategic planning process, ensure we work towards achieving long term growth in a sustainable way. In approving the strategic objectives, we also consider a host of external factors, such as the evolving economic and market conditions. The latest sustainability report for Viridor, which contains information on our performance against the sustainability development goals, is available on our website [www.viridor.co.uk](http://www.viridor.co.uk).

##### *The interests of the Company's employees*

We are a responsible employer, focused on employee engagement and communication, promoting a diverse and inclusive workforce and the continued development of our people in a safe working environment.

##### *The need to foster the company's business relationships with suppliers, customers and others*

We demonstrate continued commitment to delivering quality of service, value for money and satisfaction to our customers. We continue to foster key strategic and commercial relationships with our supply chain partners, with a focus on quality and sustainability, and focused delivery across the entire supply chain.

We have open dialogue and transparent engagement with our regulatory bodies, policy makers and other stakeholders who shape our social contract.

##### *The impact of the Company's operations on the community and the environment*

We are committed to providing educational programmes and community sponsorships and engaging in charity support initiatives and outreach events across our regions of operation. We maintain a proactive and positive relationship with our key environmental regulators the Environment Agency, Scottish Environmental Protection Agency (SEPA) and Natural Resources Wales.

##### *The desirability of the company maintaining a reputation for high standards of business conduct*

We ensure a transparent approach to conducting business in a responsible manner, with a focus on maintaining good governance. The codes of conduct and policies which apply across our group are regularly updated to ensure the highest of standards are adhered to.

##### *The need to act fairly as between members of the company*

Relevant decisions of the Board have been discussed, where relevant, at the meetings of the parent company Board.

#### **Environmental impacts**

We keep a strong focus on our environmental performance and responsibilities, working closely with environmental regulators (the Environment Agency, Scottish Environment Protection Agency and Natural Resources Wales) to maintain high standards of operations and compliance, and to further reduce the risk of pollution incidents. In addition to the services Viridor offers its customers for the safe management, treatment and disposal of hazardous wastes, our environment policy clearly commits us to minimising hazardous wastes used or produced and any impacts arising, as well as any (non-greenhouse gases) emissions to air.

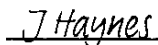
## **Viridor Oxfordshire Limited**

### **Strategic Report for the Year Ended 31 March 2023 (continued)**

#### **FUTURE DEVELOPMENTS**

Energy from waste is central to the UK's waste and renewable energy strategies as the long-term, alternative to landfill for disposal of residual waste. The Company intends to take advantage of this growing market.

The Strategic Report was approved by the Board and authorised for issue on 23 November 2023 and signed on its behalf by:

  
J.L. Haynes, 22/11/2023

J.L. Haynes  
Director

---

## **Viridor Oxfordshire Limited**

### **Directors' Report for the Year Ended 31 March 2023**

The directors present their report and the unaudited financial statements for the year ended 31 March 2023.

The Directors' Report is prepared in accordance with the provisions of the Companies Act 2006 and regulations made thereunder. It comprises pages 4 to 5 as well as any matters incorporated by reference.

Information regarding Viridor, including events and its progress during the year, events since the year-end and likely future developments is contained in the strategic report set out on pages 1 to 3.

In addition, and in accordance with s414C of the Companies Act 2006, the strategic report contains a fair, balanced and comprehensive review and analysis of the development and performance of the Company's business during the year and the position of the Company's business at the end of the year.

#### **Parent company**

The Company is a subsidiary of Viridor Energy Limited. During the year, its ultimate parent company was KKR Planets Aggregator L.P.

#### **Directors**

The directors, who held office during the year, were as follows:

N W Maddock (ceased 16 June 2023)

K M Bradshaw (ceased 12 November 2023)

The following directors were appointed after the year end:

P G Dorel (appointed 16 June 2023)

J L Haynes (appointed 25 September 2023)

#### **Donations**

No political donations were made or political expenditure incurred.

#### **Directors' insurance and indemnities**

The Directors have the benefit of the indemnity provisions contained in the Company's Articles and the Company has maintained throughout the year Directors' and Officers' liability insurance for the benefit of the Company, the Directors and its Officers. The Company has entered into qualifying third party indemnity arrangements for the benefit of all its Directors in a form and scope which comply with the requirements of the Companies Act 2006 and which were in force throughout the year and remain in force.

#### **Going concern**

The financial statements have been prepared on the going concern basis due to the continued financial support of the intermediate parent company, Viridor Energy (Investments One) Limited. The directors of Viridor Energy (Investments One) Limited confirm that it is their intention to support the company in meeting all of its financial obligations as they fall due for a period of at least 12 months from the date of signing the balance sheet.

#### **Employment policies and employee involvement**

The Company has no employees (2022: none). Services provided by the Company were undertaken by employees of Viridor Energy Limited (a fellow subsidiary of Viridor Energy (Investments One) Limited, the smallest Group in which these financial statements are consolidated). Policies relating to the training and development in the affairs, policy and performance of the Company can be found in the financial statements of Viridor Energy (Investments One) Limited.

#### **Financial instruments**

Details of the Company's financial instruments are provided in note 2 on page 16 and note 13 on page 28.

#### **Financial risk management policy**

The Company's financial risk management policy is set out at note 3 on page 18.

#### **Events after the reporting period**

Events after the reporting date for the company are discussed in the future developments section of the Strategic report.

## **Viridor Oxfordshire Limited**

### **Directors' Report for the Year Ended 31 March 2023 (continued)**

#### **Statement of Directors' Responsibilities**

The directors acknowledge their responsibilities for preparing the Annual 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 International Financial Reporting Standards (IFRSs) in conformity with the requirements of the Companies Act 2006. 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 in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information and provide additional disclosures when compliance with the specific requirements in IFRSs 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 ; 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.

Under applicable law and regulations, the directors are also responsible for preparing a strategic report and directors' report, that comply with that law and those regulations. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

The Directors' Report was approved by order of the Board on 23 November 2023 and signed on its behalf by:

  
.....  
.....

L M Hughes  
Company secretary

# Viridor Oxfordshire Limited

## Income Statement for the Year Ended 31 March 2023

	Note	2023 £ 000	2022 £ 000
Revenue	4	67,504	53,483
Employment costs	4	(2,857)	(2,712)
Raw materials and consumables used	4	(3,020)	(2,347)
Other expenses	4	<u>(10,040)</u>	<u>(8,933)</u>
<b>Profit before interest, tax, depreciation, amortisation and dividends</b>		<b>51,587</b>	<b>39,491</b>
Depreciation and amortisation expense	4	<u>(6,489)</u>	<u>(5,845)</u>
<b>Operating profit</b>		<b><u>45,098</u></b>	<b><u>33,646</u></b>
Finance income		2,849	104
Finance costs		<u>(4,135)</u>	<u>(36,996)</u>
Net finance cost	5	<u>(1,286)</u>	<u>(36,892)</u>
<b>Profit/(loss) before tax</b>		<b>43,812</b>	<b>(3,246)</b>
Taxation charge	6	<u>(4,904)</u>	<u>(7,619)</u>
<b>Profit/(loss) for the year</b>		<b><u>38,908</u></b>	<b><u>(10,865)</u></b>

The notes on pages 11 to 34 form an integral part of these financial statements.



**Viridor Oxfordshire Limited****Statement of Comprehensive Income for the Year Ended 31 March 2023**

	<b>2023</b>	<b>2022</b>
	<b>£ 000</b>	<b>£ 000</b>
Profit/(loss) for the year	<b>38,908</b>	(10,865)
<b>Items that may be reclassified subsequently to profit or loss</b>		
Unrealised gain or loss on cash flow hedges	(808)	(30,805)
Income tax effect	<u>244</u>	<u>9,033</u>
	<u>(564)</u>	<u>(21,772)</u>
<b>Total comprehensive income/(loss) for the year</b>	<b><u>38,344</u></b>	<b><u>(32,637)</u></b>

The notes on pages 11 to 34 form an integral part of these financial statements.

# Viridor Oxfordshire Limited

(Registration number: 07343925)

## Statement of Financial Position as at 31 March 2023

	Note	31 March 2023 £ 000	31 March 2022 £ 000
<b>Assets</b>			
<b>Non-current assets</b>			
Other non-current assets	9	161,293	-
Property, plant and equipment	10	169,964	170,346
Right of use assets	11	515	208
		<u>331,772</u>	<u>170,554</u>
<b>Current assets</b>			
Inventories	14	3,850	3,191
Trade and other receivables	15	62,893	36,582
		<u>66,743</u>	<u>39,773</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	16	(6,792)	(4,137)
Loans and borrowings	17	(81)	(39)
Current tax liability		(5,440)	(9,921)
Derivative financial instruments	12	(9,922)	(19,245)
		<u>(22,235)</u>	<u>(33,342)</u>
<b>Non-current liabilities</b>			
Loans and borrowings	17	(306,444)	(140,760)
Deferred tax liabilities	6	(5,770)	(5,254)
Derivative financial instruments	12	(43,086)	(48,335)
		<u>(355,300)</u>	<u>(194,349)</u>
<b>NET ASSETS/(LIABILITIES)</b>		<u><b>20,980</b></u>	<u><b>(17,364)</b></u>
<b>Equity</b>			
Share capital		1,000	1,000
Cash flow hedging reserve		(24,097)	(23,533)
Retained earnings		44,077	5,169
<b>TOTAL EQUITY</b>		<u><b>20,980</b></u>	<u><b>(17,364)</b></u>

For the financial year ending 31 March 2023 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

Approved by the Board on 23 November 2023 and signed on its behalf by:

J Haynes  
 J L Haynes  
 Director

# Viridor Oxfordshire Limited

## Statement of Changes in Equity for the Year Ended 31 March 2023

	Share capital £ 000	Cash flow hedging reserve £ 000	Retained earnings £ 000	Total £ 000
At 1 April 2021	1,000	(1,761)	16,034	15,273
Loss for the year	-	-	(10,865)	(10,865)
Other comprehensive income	-	(21,772)	-	(21,772)
Total comprehensive loss	-	(21,772)	(10,865)	(32,637)
At 31 March 2022	1,000	(23,533)	5,169	(17,364)

	Share capital £ 000	Cash flow hedging reserve £ 000	Retained earnings £ 000	Total £ 000
At 1 April 2022	1,000	(23,533)	5,169	(17,364)
Profit for the year	-	-	38,908	38,908
Other comprehensive income	-	(564)	-	(564)
Total comprehensive income	-	(564)	38,908	38,344
At 31 March 2023	1,000	(24,097)	44,077	20,980

Included in the movement in other comprehensive income in the cash flow hedging reserve are gains reclassified to the income statement of £0.6m (2022: losses of £0.2m) and fair value losses of £1.4m (2022: losses of £30.7m).

# Viridor Oxfordshire Limited

## Statement of Cash Flows for the Year Ended 31 March 2023

	Note	2023 £ 000	2022 £ 000
<b>Cash flows from operating activities</b>			
Profit/(loss) for the year		38,908	(10,865)
<i>Adjustments to cash flows from non-cash items:</i>			
Depreciation and amortisation	4	6,489	5,845
Finance income	5	(2,849)	(104)
Finance costs	5	4,135	36,996
Taxation charge	6	4,904	7,619
		<u>51,587</u>	<u>39,491</u>
<i>Working capital adjustments:</i>			
Increase in inventories		(659)	(9)
Decrease/(increase) in trade and other receivables		863	(514)
Increase in trade and other payables		2,886	1,036
Settlement of derivative financial instruments		<u>(9,239)</u>	<u>-</u>
Cash generated from operations		45,438	40,004
Taxation paid		<u>(8,625)</u>	<u>-</u>
Net cash flow from operating activities		<u>36,813</u>	<u>40,004</u>
<b>Cash flows from investing activities</b>			
Interest received		-	104
Acquisitions of property plant and equipment		(5,940)	(998)
Proceeds from sale of property plant and equipment		-	7
Repayment of loans from related parties		-	18,734
Loans granted to related parties		<u>(27,409)</u>	<u>(29,361)</u>
Net cash flows from investing activities		<u>(33,349)</u>	<u>(11,514)</u>
<b>Cash flows from financing activities</b>			
Interest paid		(9)	(5,469)
Repayment of borrowings		-	(21,606)
Finance lease principal repayments		(164)	(39)
Settlement of derivative financial instruments		<u>(3,291)</u>	<u>(1,814)</u>
Net cash flows from financing activities		<u>(3,464)</u>	<u>(28,928)</u>
Net decrease in cash and cash equivalents		-	(438)
Cash and cash equivalents at 1 April		-	438
Cash and cash equivalents at 31 March		<u>-</u>	<u>-</u>

The notes on pages 11 to 34 form an integral part of these financial statements.

## **Viridor Oxfordshire Limited**

### **Notes to the Unaudited Financial Statements for the Year Ended 31 March 2023**

#### **1 General information**

The company is a private company limited by share capital, incorporated and domiciled in England.

The address of its registered office is:

Viridor House  
Priory Bridge Road  
Taunton  
Somerset  
TA1 1AP  
United Kingdom

The nature of the Company's operations include the operation of an Energy Recovery Facility (ERF) at Ardley, Oxfordshire.

These financial statements were authorised for issue by the board on 23 November 2023.

#### **2 Accounting policies**

##### **Statement of compliance**

The company financial statements have been prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006.

##### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **Basis of preparation**

The financial statements have been prepared in accordance with adopted IFRSs and under historical cost accounting rules.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies.

These financial statements are presented in pound sterling, which is the Company's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

##### **Going concern**

As noted in the Directors Report, the financial statements have been prepared on a going concern basis.

##### **New standards, interpretations and amendments not yet effective**

There were no new standards or interpretations, which were mandatory for the first time in the year beginning 1 April 2022, that had an impact on the net assets or results of the Company.

New standards or interpretations due to be adopted from 1 April 2023 are not expected to have a material impact on the Company's net assets or results.

## **Viridor Oxfordshire Limited**

### **Notes to the Unaudited Financial Statements for the Year Ended 31 March 2023 (continued)**

## **2 Accounting policies (continued)**

### **Revenue recognition**

#### ***Recognition***

Revenue is recognised following delivery of performance obligations and an assessment of when control over the product or service is transferred to the customer. Revenue is only recognised when collection of consideration is highly probable.

Revenue is recognised either when the performance obligation in the contract has been performed ('point in time' recognition) or 'over time' as the performance obligations to the customer are satisfied. For each obligation satisfied over time, the company applies a revenue recognition method that accurately reflects performance in transferring control of the services to the customer.

Where a contract with a customer includes more than one performance obligation, revenue is allocated to each obligation in proportion to a fair value assessment of the total contract sales value split across the services provided.

At the inception of a contract the total transaction price is estimated, being the fair value to which the company expects to be entitled under the contract, including any variable consideration. Variable consideration is based on the most likely outcome of the performance obligations.

Revenue excludes value added tax, trade discounts and includes revenue arising from transactions between Group companies.

#### ***Energy sales***

The Company receives revenue from the sale of electricity from generating assets. Revenue from the sale of electricity from the Company's generating assets is measured based upon metered output delivered at rates specified under contract terms or prevailing market rates. Revenue is recognised at a 'point in time', being the point of distribution to the grid. Typically, invoices are raised monthly with standard payment terms.

#### ***Waste management services***

In respect of single services with fixed fees, such as the receipt of gate and collection fees, revenue is recognised at the time the service is provided.

The Company also delivers other waste management services for which revenue is recognised 'over time' in accordance with contracts with customers. The nature of contracts and/or performance obligations includes management fees to operate energy recovery facility, multi service contracts including collections and gate fees.

Revenue from other services can be fixed (i.e. management fees) or variable (i.e. gate fees).

Gate fee revenue, derived from the Company's operational assets, is recognised as customer waste is deposited and is based on tonnage received.

In respect of waste collection services, revenue is recognised at the point of collection from customer premises.

A majority of waste management customers are invoiced monthly for services provided within the monthly billing period. Payments are typically due on an end of month following invoice basis. Alternative billing and/or payment terms are agreed in exceptional circumstances.

The Company transfers control of such waste management services prior to invoicing. Receipt of payment following invoice is based solely on the passage of time. A trade receivable is recognised until payment is made and/or refund issued.

#### ***Recyclate***

The Company transforms waste into recyclate ready for resale. Revenue is measured at the agreed transaction price per tonne of recyclate under the contract with the customer. Revenue recognition occurs when control over the recyclate assets has been transferred to the customer.

In respect of UK sales, the Company's performance obligation is satisfied at the point of collection by the customer. This is the point in time when an invoice is issued and revenue is recognised. Payment terms are typically end of month following invoice date. Overseas sales are predominantly agreed under a letter of credit. Goods are despatched at the point the letter of credit is accepted by the customers bank. Payment is released when the customer confirms satisfactory receipt of the recyclate. This is the point legal title (i.e. control) passes to the customer and revenue is recognised.

## **Viridor Oxfordshire Limited**

### **Notes to the Unaudited Financial Statements for the Year Ended 31 March 2023 (continued)**

#### **2 Accounting policies (continued)**

##### ***Non-Monetary Government Grants***

The Company receives non-monetary government grants as a result of its business activities, in the form of Renewable Energy Guarantee of Origin (REGOs). These assets are traded within the ordinary course of business and are recognised within inventory at nominal value.

##### ***Contract assets and liabilities***

A trade receivable is recognised when the Company has an unconditional right to receive consideration in exchange for performance obligations already fulfilled. A contract asset is recognised when the Company has fulfilled some of its performance obligations but has not yet obtained an unconditional right to receive consideration, such as during the construction phase of a service concession agreement, as described above.

A contract liability is recognised when consideration is received in advance of the Company performing its performance obligations to customers.

##### **Foreign exchange**

Transactions denominated in foreign currencies are translated at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in a foreign currency are translated at the closing balance sheet rate. The resulting gain or loss is recognised in the income statement.

##### **Taxation**

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in the statement of comprehensive income or directly in equity. In this case the tax is recognised in the statement of comprehensive income or directly in equity as appropriate.

The Company was part of the Viridor Limited Group for the purposes of group relief until 30 June 2022 when the Group's shareholding in Viridor (Investments) Limited fell below 75%. From 1 July 2022 the Company became part of the Viridor Energy Limited Group for group relief purposes and accordingly may use the tax group relief provisions, whereby current tax liabilities can be offset by current tax losses arising in other companies within the same tax group. Receipts for group relief in respect of loss previously surrendered to the former Group are included within the current tax disclosures.

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

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

## Viridor Oxfordshire Limited

### Notes to the Unaudited Financial Statements for the Year Ended 31 March 2023 (continued)

## 2 Accounting policies (continued)

### Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Leased assets are accounted for by recognising a right-of-use-asset and a lease liability except for:

- Low value assets; and
- Leases with a duration of 12 months or less.

The costs of which are charged to the income statement in the period to which they relate.

#### *Right-of-use assets*

The Company recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

If a lease liability is terminated or novated to a third party the related right-of-use asset is derecognised. Any gain or loss on derecognition of the asset (calculated as the difference between the net disposal proceeds, the carrying amount of the asset and the present value of the lease liability) is included in the income statement in other operating expenses.

#### *Lease liabilities*

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date, because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

### Property, plant and equipment

Property, plant and equipment is stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of property, plant and equipment includes directly attributable incremental costs incurred in their acquisition and installation.

### Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

#### **Asset class**

Freehold buildings

Energy recovery facilities

Short-term leasehold land and buildings

Fixed and mobile plant, vehicles and computers

Assets classified as construction in progress

#### **Depreciation method and rate**

30-50 years

25-40 years

The shorter of their estimated useful economic lives or the finance lease period.

3-10 years

Not depreciated until commissioned



## **Viridor Oxfordshire Limited**

### **Notes to the Unaudited Financial Statements for the Year Ended 31 March 2023 (continued)**

#### **2 Accounting policies (continued)**

##### **Impairment of non-financial assets**

Assets which have an indefinite useful life are not subject to depreciation and are tested annually for impairment, or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Assets which are subject to amortisation are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value, less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Value in use represents the present value of projected future cash flows expected to be derived from a cash-generating unit, discounted using a pre-tax discount rate which reflects an assessment of the market cost of capital of the cash-generating unit.

Impairments are charged to the income statement in the year in which they arise. Non-financial assets other than goodwill that have been impaired are reviewed for possible reversal of the impairment at each reporting date.

##### **Inventories**

Inventories are stated at the lower of cost and net realisable value. The cost of finished goods and work in progress includes raw materials and the cost of bringing inventories to their present location and condition. It excludes borrowing costs. Net realisable value is the estimated selling price less cost to sell.

Non-Monetary Government Grants: the Company receives non-monetary government grants as a result of its business activities, in the form of Renewable Energy Guarantee of Origin (REGOs). These assets are recognised within inventory at nominal value. These assets are traded within the ordinary course of business and are recognised within inventory at nominal value. Income generated from the sale to third parties are recognised within revenue when transferred to the customer.

##### **Fair values**

The fair values of short-term deposits, loans and overdrafts with a maturity of less than one year are assumed to approximate to their book values. In the case of non-current bank loans and other loans, the fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate available to the company for similar financial instruments.

##### **Provisions**

Provisions are made where there is a present legal or constructive obligation as a result of a past event and it is probable that there will be an outflow of economic benefits to settle this obligation and a reliable estimate of this amount can be made. Where the effect of the time value of money is material, the current amount of a provision is the present value of the expenditure expected to be required to settle obligations. The unwinding of the discount to present value is included as notional interest within finance costs.

##### **Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

##### **Retirement benefit obligations**

Costs of the defined contribution pension scheme are charged to the income statement in the year in which they arise. The Company has no further payment obligations once the contributions have been paid.

## **Viridor Oxfordshire Limited**

### **Notes to the Unaudited Financial Statements for the Year Ended 31 March 2023 (continued)**

#### **2 Accounting policies (continued)**

##### **Financial instruments**

Financial instruments are recognised and measured in accordance with IFRS 9.

The Company classifies its financial instruments in the following categories:

##### ***i) Loans and receivables***

All loans and borrowings are initially recognised at fair value, net of transaction costs incurred. Following initial recognition interest-bearing loans and borrowings are subsequently stated at amortised cost using the effective interest method.

Gains and losses are recognised in the income statement when the instruments are derecognised or impaired. Premia, discounts and other costs and fees are recognised in the income statement through the amortisation process.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

##### ***ii) Trade receivables***

Trade receivables do not carry any interest receivable and are recognised initially at fair value and subsequently at amortised cost using the effective interest method, less provision for expected credit losses (ECLs). The Company performs an impairment analysis at each reporting date to measure the ECLs. The Company does not track changes in credit risk but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has an established provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the receivables and the economic environment.

##### ***iii) Trade payables***

Trade payables are not interest bearing and are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

## **Viridor Oxfordshire Limited**

### **Notes to the Unaudited Financial Statements for the Year Ended 31 March 2023 (continued)**

#### **2 Accounting policies (continued)**

##### ***iv) Derivative financial instruments and hedging activities***

The Company uses derivative financial instruments, principally RPI swaps, to hedge cash flow risks associated with components of long-term contractual terms linked to a quoted index. The company also uses energy swaps to hedge cash flow risks associated with forecast transactions with a clearly defined market price risk. Derivative instruments are initially recognised at fair value on the date the derivative contract is entered into and subsequently re-measured at fair value for the reported balance sheet.

The Company also uses intra-group hedging arrangements to pass the risks and rewards of the relevant hedges from Viridor Energy Group Limited (a fellow subsidiary of Viridor Energy (Investments One) Ltd, the smallest Group in which this company's results are consolidated), to the relevant subsidiaries.

The Company generally designates its hedging derivatives as cash flow hedges due to there being a highly probable forecast transaction or change in the cash flows of a recognised asset or liability.

The gain or loss on remeasurement is recognised in the income statement except for cash flow hedges which meet the conditions for hedge accounting, when the portion of the gain or loss on the hedging instrument which is determined to be effective is recognised in other comprehensive income and the ineffective portion in the income statement. The gains or losses deferred in equity in this way are subsequently recognised in the income statement in the same period in which the hedged underlying transaction or firm commitment is recognised in the income statement.

In order to qualify for hedge accounting the Company is required to document, in advance, the relationship between the item being hedged and the hedging instrument. The Company is also required to document and demonstrate an assessment of the relationship between the hedged item and the hedging instrument which shows that the hedge will be highly effective on an ongoing basis. This effectiveness testing is re-performed at the end of each reporting period to ensure that the hedge remains highly effective.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than one year and as a current asset or liability when the remaining maturity of the hedged item is less than one year. Derivative financial instruments which do not qualify for hedge accounting are classified as a current asset or liability with any change in fair value recognised immediately in the income statement.

##### ***v) Receivables due from subsidiary undertakings***

Amounts owed by subsidiaries are classified and recorded at amortised cost and reduced by allowances for expected credit losses. Estimated future credit losses are first recorded on initial recognition of a receivable and are based on estimated probability of default.

## Viridor Oxfordshire Limited

### Notes to the Unaudited Financial Statements for the Year Ended 31 March 2023 (continued)

#### 3 Financial risk review

The financial risk management policies reflect conditions that existed through and at the year ending 31 March 2023.

##### *Financial risk factors*

The Company's activities expose it to a variety of financial risks: liquidity risk, market risk (including interest rate risk, inflation risk and energy price risk), and credit risk. Details of the nature of each of these risks along with the steps the Company has taken to manage them is described below.

The Company receives treasury services from the wider Viridor Group's treasury function which seeks to ensure that sufficient funding is available to meet foreseeable needs, maintain reasonable headroom for contingencies and manage financial risks.

These risks and treasury operations are managed by the Group Chief Financial Officer in accordance with policies established by the Board. Major transactions are individually approved by the Board.

Financial instruments, including derivatives, are used, where appropriate, to manage the risks of fluctuations in interest rates, inflation and other financial risks. Companies within the Viridor Group do not engage in speculative activity.

##### *Market Risk*

Market risk relates to fluctuations in external market variables such as interest rates, inflation and exchange rates that affect the Company's income or the value of the financial instruments that it holds.

The Company's Market Risk is managed at a consolidated Viridor Group level.

The Company has no significant interest-bearing assets upon which the net return fluctuates from market risk. Deposit interest receivable is expected to fluctuate in line with interest payable on floating rate borrowings. Consequently its income and operating cash flows are substantially independent of changes in market interest rates.

For the year ended 31 March 2023, if interest rates on net borrowings had been 0.5% higher/lower with all other variables held constant, post-tax profit for the year would have increased/decreased by £906,000 (2022: £898,000).

##### *Liquidity Risk*

Liquidity risk is managed at a consolidated Viridor Group level, with facilities that are designed to ensure the Viridor Group (and therefore the Company) has significant available funds for operations, planned expansions and facilities equivalent to at least one year's forecast requirements at all times, with reasonable headroom for contingencies. The Viridor Group's treasury function managed and determined the criteria for the Company's capital requirement.

Contractual undiscounted cash flows were:

	Due within 1 year £000	Due between 1 and 2 years £000	Due between 2 and 5 years £000	Due after 5 years £000	Total £000
<b>31 March 2023</b>					
<i>Non-derivative financial liabilities</i>					
Borrowings excluding lease liabilities	-	-	-	306,000	<b>306,000</b>
Interest payments on borrowings	-	-	-	192,030	<b>192,030</b>
Finance lease liabilities including interest	81	43	122	279	<b>525</b>
<b>31 March 2022</b>					
<i>Non-derivative financial liabilities</i>					
Borrowings excluding lease liabilities	-	14,669	44,008	81,905	140,582
Interest payments on borrowings	4,067	3,642	8,381	5,481	21,571
Finance lease liabilities including interest	39	6	20	152	217

## **Viridor Oxfordshire Limited**

### **Notes to the Unaudited Financial Statements for the Year Ended 31 March 2023 (continued)**

#### **3 Financial risk review (continued)**

##### ***Credit Risk***

Credit risk arises from cash and cash equivalents with banks and financial institutions, as well as exposure to trade customers, including outstanding receivables. The maximum exposure to credit risk is represented by the carrying value of these financial instruments. Further information on the credit risk relating to trade receivables is given in note 15.

Counterparty risk arises from the investment of surplus funds and from the use of derivative financial instruments. The Viridor Group (and therefore the Company) follows a policy for managing such risk which is controlled through credit limits, counterparty approvals and rigorous monitoring procedures. The Company has no other significant concentration of credit risk. The Company's surplus funds are managed by the Viridor Group's treasury function and where sufficient incremental yield is available, are placed in short-term deposits or the overnight money markets. Deposit counterparties must meet minimum criteria based on their short-term credit ratings and therefore be of good credit quality.

##### **Energy Price risk**

The Company is exposed to price fluctuations in the energy supply market. It seeks to mitigate this risk with a combination of forward sale contracts, supported by energy derivatives, in line with a Board approved policy. Due to the complex interactions between these different contracts the Company has not designated the energy derivatives as hedging instruments for accounting purposes as at 31 March 2023.

##### **Capital risk management**

The capital risk management policy is managed at a consolidated Viridor Group level. The Group's objectives when managing capital are to safeguard the ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure in order to minimise the cost of capital.

##### **Determination of fair values**

The Company uses the following hierarchy for determining the fair value of financial instruments by valuation technique:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2).
- inputs for the asset/liability not based on observable market data (unobservable inputs) (level 3).

The Company's financial instruments are valued using level 2 measures as analysed in note 13.

##### **Commodity risk**

The Company is exposed to availability and price fluctuations in the recycle markets in which it operates. The Company mitigates this risk with a combination of long-term contracts with local authorities, which secures substantial amounts of recycle materials and by extensive cost control and continual efficiency management programmes at its recycling plants.

**Viridor Oxfordshire Limited****Notes to the Unaudited Financial Statements for the Year Ended 31 March 2023 (continued)****4 Operating profit****Revenue**

The grouping of revenue streams, analysed by how they are affected by economic factors is as follows:

	<b>UK £000</b>	<b>Total £000</b>
<b>Year ended 31 March 2023</b>		
Waste management services	38,709	38,709
Energy	28,254	28,254
Recyclate	541	541
	<u>67,504</u>	<u>67,504</u>
<b>Year ended 31 March 2022</b>		
Waste management services	40,234	40,234
Energy	12,499	12,499
Recyclate	750	750
	<u>53,483</u>	<u>53,483</u>

The Company's country of domicile is the United Kingdom and is the country in which it generates most of its revenue. The Company's non-current assets are all located in the United Kingdom.

**Operating costs**

	<b>Note</b>	<b>31 March 2023 £000</b>	<b>31 March 2022 £000</b>
Employment costs	7	<u>2,857</u>	<u>2,712</u>
Raw materials and consumables		<u>3,020</u>	<u>2,347</u>
<b>Other operating expenses:</b>			
Short-term and low value lease rentals payable		30	153
Power		671	347
Rates		1,276	1,385
Hired and contracted services		5,277	4,632
Other external charges		<u>2,786</u>	<u>2,416</u>
		<u>10,040</u>	<u>8,933</u>
<b>Depreciation of property, plant and equipment:</b>			
- Depreciation charge for the year		<u>6,489</u>	<u>5,845</u>

# Viridor Oxfordshire Limited

## Notes to the Unaudited Financial Statements for the Year Ended 31 March 2023 (continued)

### 5 Finance income and costs

	Note	2023 £ 000	2022 £ 000
<b>Finance income</b>			
Gain on derivatives at fair value through profit or loss		2,849	-
Interest income on loans to related parties	20	-	104
Total finance income		<u>2,849</u>	<u>104</u>
<b>Finance costs</b>			
Interest element of lease rentals		(9)	(8)
Loss on derivatives at fair value through profit or loss		-	(31,529)
Interest expense on loans from related parties	20	<u>(4,126)</u>	<u>(5,459)</u>
Total finance costs		<u>(4,135)</u>	<u>(36,996)</u>
<b>Net finance costs</b>		<u><b>(1,286)</b></u>	<u><b>(36,892)</b></u>

**Viridor Oxfordshire Limited****Notes to the Unaudited Financial Statements for the Year Ended 31 March 2023 (continued)****6 Taxation**

Tax charged in the income statement

	<b>2023</b>	<b>2022</b>
	<b>£ 000</b>	<b>£ 000</b>
UK corporation tax	4,144	7,258
Deferred tax	<u>760</u>	<u>361</u>
Tax charge in the income statement	<u>4,904</u>	<u>7,619</u>

UK corporation tax is calculated at 19% (2022: 19%) of the estimated assessable profit before tax for the year.

**Reconciliation of total tax charge:**

The total tax for the year differs from the theoretical amount that would arise using the standard rate of Corporation tax in the UK of 19% (2022: 19%) as follows:

	<b>2023</b>	<b>2022</b>
	<b>£ 000</b>	<b>£ 000</b>
Profit/(loss) before tax	<u>43,812</u>	<u>(3,246)</u>
Tax calculated at the standard rate of UK Corporation tax of 19%	8,324	(617)
Increase (decrease) from effect of expenses not deductible in determining taxable profit (tax loss)	321	177
Deferred tax expense (credit) relating to changes in tax rates or laws	1,012	3,517
Increase (decrease) in current tax from adjustment for prior periods	(4,753)	3,208
Other tax effects for reconciliation between accounting profit and tax expense (income)	<u>-</u>	<u>1,334</u>
Total tax charge	<u>4,904</u>	<u>7,619</u>

The average total effective rate for the year is 11.1% (2022: &lt;(100)%).



# Viridor Oxfordshire Limited

## Notes to the Unaudited Financial Statements for the Year Ended 31 March 2023 (continued)

### 6 Taxation (continued)

#### Deferred tax

Deferred tax is provided in full on temporary differences under the liability method using enacted tax rates.

Movements on deferred tax were:

	<b>31 March 2023 £ 000</b>	<b>31 March 2022 £ 000</b>
Net liabilities at 1 April	(5,254)	(13,926)
Charge to the income statement	(760)	(361)
Credit to other comprehensive income	<u>244</u>	<u>9,033</u>
Net liabilities at 31 March	<u>(5,770)</u>	<u>(5,254)</u>

Deferred tax assets have been recognised in respect of all temporary differences giving rise to deferred tax assets because it is probable that these assets will be recovered.

All deferred tax assets and liabilities are within the same jurisdiction and may be offset as permitted by IAS 12.

#### The movement in deferred tax assets and liabilities were:

	<b>At 1 April 2022 £ 000</b>	<b>Recognised in income statement £ 000</b>	<b>Recognised in other comprehensive income £ 000</b>	<b>At 31 March 2023 £ 000</b>
Accelerated tax depreciation	(23,878)	4,856	-	(19,022)
Temporary differences trading	1,765	(1,765)	-	-
Derivatives	<u>16,859</u>	<u>(3,852)</u>	<u>244</u>	<u>13,251</u>
Net tax assets/(liabilities)	<u>(5,254)</u>	<u>(760)</u>	<u>244</u>	<u>(5,770)</u>

The movement in deferred tax assets and liabilities during the prior year were:

	<b>At 1 April 2021 £ 000</b>	<b>Recognised in income statement £ 000</b>	<b>Recognised in other comprehensive income £ 000</b>	<b>At 31 March 2022 £ 000</b>
Accelerated tax depreciation	(14,329)	(9,549)	-	(23,878)
Temporary differences trading	(1)	1,766	-	1,765
Derivatives	<u>404</u>	<u>7,422</u>	<u>9,033</u>	<u>16,859</u>
Net tax assets/(liabilities)	<u>(13,926)</u>	<u>(361)</u>	<u>9,033</u>	<u>(5,254)</u>

## Viridor Oxfordshire Limited

### Notes to the Unaudited Financial Statements for the Year Ended 31 March 2023 (continued)

#### 7 Employment costs

The Company has no employees (2022: none). Services provided by the Company were undertaken by employees of Viridor Energy Limited, a fellow subsidiary of Viridor Energy (Investments One) Limited (the smallest Group in which this company's results are consolidated). The employment costs in the income statement were recharged to the Company by Viridor Energy Limited in relation to 41 (2022: 44 ) employees who worked predominantly for the Company.

The aggregate payroll costs (including directors' remuneration) were as follows:

	2023 £ 000	2022 £ 000
Wages and salaries	2,458	2,360
Social security costs	310	255
Pension costs, defined contribution scheme	89	97
	<u>2,857</u>	<u>2,712</u>

#### 8 Key management personnel

Key management personnel have been determined to be the Executive Leadership Team (ELT) by virtue of their authority and responsibility for planning, directing and controlling the activities of the Group. This includes statutory directors of the Company.

##### Key management compensation

	2023 £ 000	2022 £ 000
Aggregate emoluments of key management personnel in respect of their services to the Company	<u>604</u>	<u>247</u>

The Company incurred no direct charge for key management compensation but received a proportion of the employment costs as a management charge from Viridor Waste Limited (a parent company). Total emoluments of the Directors are disclosed in the Financial Statements of Viridor Limited (a Group in which this company's results are consolidated).

#### 9 Non current trade and other receivables

	Note	31 March 2023 £000	31 March 2022 £000
Amounts due from related parties	20	<u>161,293</u>	<u>-</u>
		<u>161,293</u>	<u>-</u>
<b>The fair values of trade and other receivables are as follows:</b>			
Amounts due from related parties		<u>171,361</u>	<u>-</u>
		<u>171,361</u>	<u>-</u>

The fair values are calculated on contractual cash flows discounted at prevailing interest rates. The interest rate on amounts owed by related parties was 6.2776% (2022: not applicable).

# Viridor Oxfordshire Limited

## Notes to the Unaudited Financial Statements for the Year Ended 31 March 2023 (continued)

### 10 Property, plant and equipment

	Land and buildings £ 000	Fixed and mobile plant, vehicles and computers £ 000	Assets under construction £ 000	Total £ 000
<b>Cost or valuation</b>				
At 1 April 2021	92	216,518	92	216,732
Additions	-	-	998	998
Disposals	-	-	(7)	(7)
Transfers/reclassifications	-	94	(95)	(1)
At 31 March 2022	92	216,642	988	217,722
At 1 April 2022	92	216,642	988	217,722
Additions	-	3	5,938	5,941
Transfers/reclassifications	-	6,200	(6,200)	-
At 31 March 2023	92	222,845	726	223,663
<b>Depreciation</b>				
At 1 April 2021	-	41,574	-	41,574
Charge for year	-	5,802	-	5,802
At 31 March 2022	-	47,376	-	47,376
At 1 April 2022	-	47,376	-	47,376
Charge for the year	-	6,323	-	6,323
At 31 March 2023	-	53,699	-	53,699
<b>Carrying amount</b>				
At 31 March 2023	92	169,146	726	169,964
At 31 March 2022	92	169,266	988	170,346

Included within the net book value of land and buildings above is £92,000 (2022 - £92,000) in respect of freehold land and buildings.

Groups of assets forming cash generating units are reviewed for indicators of impairment. No indicators of impairment were identified during the year.

Asset lives and residual values are reviewed annually. No significant changes were required in the year.

# Viridor Oxfordshire Limited

## Notes to the Unaudited Financial Statements for the Year Ended 31 March 2023 (continued)

### 11 Right of use assets

	Machinery £ 000	Property £ 000	Total £ 000
<b>Cost or valuation</b>			
At 1 April 2021	103	201	304
At 31 March 2022	103	201	304
At 1 April 2022	103	201	304
Additions	473	-	473
At 31 March 2023	576	201	777
<b>Depreciation</b>			
At 1 April 2021	37	16	53
Charge for year	34	9	43
At 31 March 2022	71	25	96
At 1 April 2022	71	25	96
Charge for the year	158	8	166
At 31 March 2023	229	33	262
<b>Carrying amount</b>			
At 31 March 2023	347	168	515
At 31 March 2022	32	176	208

The corresponding lease liabilities are disclosed in note 17.

Short-term and low value lease rentals payable are disclosed in note 4.

# Viridor Oxfordshire Limited

## Notes to the Unaudited Financial Statements for the Year Ended 31 March 2023 (continued)

### 12 Derivatives held for risk management and hedge accounting

#### Derivatives held for risk management

	31 March 2023 £ 000	31 March 2022 £ 000
<b>Non-current financial liabilities</b>		
Derivatives used for cash flow hedging	(36,210)	(37,152)
Derivatives not used in a hedging relationship	<u>(6,876)</u>	<u>(11,183)</u>
	<u><b>(43,086)</b></u>	<u><b>(48,335)</b></u>
	31 March 2023 £ 000	31 March 2022 £ 000
<b>Current financial liabilities</b>		
Derivatives used for cash flow hedging	(2,335)	(586)
Derivatives not used in a hedging relationship	<u>(7,587)</u>	<u>(18,659)</u>
	<u><b>(9,922)</b></u>	<u><b>(19,245)</b></u>

Derivatives used for cash flow hedging total £38.5 million (2022: £37.7 million). RPI swaps are used to manage the inflation risk embedded in certain long-term contracts.

The periods for which the cash flow hedges are expected to affect future profits and losses are as follows:

<b>Liabilities</b>		
	31 March 2023 £ 000	31 March 2022 £ 000
<b>Derivatives used for cash flow hedging</b>		
Within one year	(2,335)	(586)
One to two years	(2,648)	(1,448)
Two to five years	(8,027)	(5,428)
After five years	<u>(25,535)</u>	<u>(30,276)</u>
	<u><b>(38,545)</b></u>	<u><b>(37,738)</b></u>

The Company's financial risks and risk management policies are set out in note 3. The fair value of derivatives is split between current and non-current assets or liabilities based on the maturity of the cash flows. The ineffective portion recognised in the income statement arising from hedging relationships was £nil (2022: £nil).

The amounts above are at the fair value of financial instruments using level 2 - inputs that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). The fair values of these instruments are based on the market value of equivalent instruments at the balance sheet date.

**Viridor Oxfordshire Limited**

**Notes to the Unaudited Financial Statements for the Year Ended 31 March 2023 (continued)**

**13 Financial instruments by category**

		Amortised cost	Trade	
	Notes	Loans and receivables £000	receivables and trade payables £000	Total £000
<b>31 March 2023</b>				
<b>Financial assets</b>				
Trade and other receivables	9, 15	161,293	58,982	220,275
<b>Financial liabilities</b>				
Borrowings	17	(306,525)	-	(306,525)
Trade and other payables	16	-	(2,354)	(2,354)
		<u>(306,525)</u>	<u>(2,354)</u>	<u>(308,879)</u>
<b>31 March 2022</b>				
<b>Financial assets</b>				
Trade and other receivables	9, 15	-	32,590	32,590
		<u>-</u>	<u>32,590</u>	<u>32,590</u>
<b>Financial liabilities</b>				
Borrowings	17	(140,799)	-	(140,799)
Trade and other payables	16	-	(945)	(945)
		<u>(140,799)</u>	<u>(945)</u>	<u>(141,744)</u>

**14 Inventories**

	31 March 2023 £ 000	31 March 2022 £ 000
Raw materials and consumables	<u>3,850</u>	<u>3,191</u>

# Viridor Oxfordshire Limited

## Notes to the Unaudited Financial Statements for the Year Ended 31 March 2023 (continued)

### 15 Trade and other receivables

		31 March 2023 £ 000	31 March 2022 £ 000
<b>Current</b>	<b>Note</b>		
Trade receivables		2,358	2,816
Receivables from related parties	20	56,624	29,774
Accrued income		3,801	3,925
Prepayments		106	67
Other receivables		4	-
		<u>62,893</u>	<u>36,582</u>

The Company applies the simplified approach in calculating the expected credit losses for trade receivables allowing a provision matrix to be used which is based on the expected life of trade receivables. The expected credit loss rate applied ranges from 0% for not due balances up to 100% for balances aged over 120 days. However there are exceptions, for example where a customer has gone into liquidation a provision will be made regardless of ageing, or conversely if a customer is a major corporate or local authority with no history of default, a provision might not be considered appropriate.

**The ageing of trade receivables which are past due but not specifically impaired was:**

	31 March 2023 £ 000	31 March 2022 £ 000
Not past due	2,115	2,609
Past due 1 - 30 days	215	207
Past due 31 - 121 days	28	-
	<u>2,358</u>	<u>2,816</u>

There is no significant concentration of credit risk in trade receivables. The company has a large number of customers who are dispersed and there is no expectation of a significant loss on trade receivables which have not been provided for.

Included within receivables from related parties is £56,552,000 (2022: £29,143,000) that reflects cash 'swept' to a parent Company in accordance with Viridor Group banking arrangements. This is not treated as cash from operations in the statement of cash flows.

### 16 Trade and other payables

		31 March 2023 £ 000	31 March 2022 £ 000
	<b>Note</b>		
Trade payables		522	657
Accrued expenses		2,592	1,830
Amounts due to related parties	20	1,832	288
Social security and other taxes		1,846	1,362
		<u>6,792</u>	<u>4,137</u>

The Directors consider that the carrying amount of trade and other payables approximates to their fair value.

The company's exposure to market and liquidity risks, including maturity analysis, relating to trade and other payables is disclosed in note 3 "Financial risk review".

# Viridor Oxfordshire Limited

## Notes to the Unaudited Financial Statements for the Year Ended 31 March 2023 (continued)

### 17 Loans and borrowings

#### Current loans and borrowings

	31 March 2023 £ 000	31 March 2022 £ 000
Finance lease liabilities	81	39
	<u>81</u>	<u>39</u>

The Directors consider that the carrying amounts of current borrowings approximate to their fair value.

#### Non-current loans and borrowings

	Note	31 March 2023		31 March 2022	
		Book Value £000	Fair Value £000	Book Value £000	Fair Value £000
Finance lease liabilities		444	444	178	178
Amounts due to related parties	20	306,000	325,102	156,861	140,582
		<u>306,444</u>	<u>325,546</u>	<u>157,039</u>	<u>140,760</u>

Where market values are not available, fair values of borrowings have been calculated by discounting expected future cash flows at prevailing interest rates.

The maturity of non-current borrowings is:

	31 March 2023 £ 000	31 March 2022 £ 000
Between 1 and 2 years	43	14,676
Between 2 and 5 years	122	44,028
Over 5 years	306,279	82,056
	<u>306,444</u>	<u>140,760</u>

The weighted average maturity of non-current borrowings was 9 years (2022: 10 years).

#### Total borrowings

	31 March 2023 £ 000	31 March 2022 £ 000
Finance lease liabilities	525	217
Amounts due to parent company	161,293	140,582
Amounts due to Fellow subsidiary	144,707	-
	<u>306,525</u>	<u>140,799</u>

The company's exposure to market and liquidity risks, including maturity analysis, relating to loans and borrowings is disclosed in note 3 "Financial risk review".



## Viridor Oxfordshire Limited

### Notes to the Unaudited Financial Statements for the Year Ended 31 March 2023 (continued)

#### 18 Share capital

##### Allotted, called up and fully paid shares

	31 March 2023		31 March 2022	
	No.	£	No.	£
Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>

#### 19 Contingent liabilities

During the prior year, the company issued a charge over its assets as security for the wider Viridor Group's financing facilities. This charge had not been satisfied as at 31 March 2023.

# Viridor Oxfordshire Limited

## Notes to the Unaudited Financial Statements for the Year Ended 31 March 2023 (continued)

### 20 Related party transactions

The inter-company relationships described below relate to the relationships that existed at 31 March.

"Parent" relates to both direct and indirect parent companies.

#### Year end balances

	Note	31 March 2023 £000	31 March 2022 £000
<b>Non-current receivables</b>			
Parent company		161,293	-
	9	<u>161,293</u>	<u>-</u>
<b>Current receivables</b>			
Parent company		56,552	29,143
Fellow subsidiaries		72	631
	15	<u>56,624</u>	<u>29,774</u>
<b>Non-current borrowings</b>			
Parent company		(161,293)	(140,582)
Fellow subsidiaries		(144,707)	-
	17	<u>(306,000)</u>	<u>(140,582)</u>
<b>Current trade payables</b>			
Parent company		(1,125)	-
Fellow subsidiaries		(707)	(288)
	16	<u>(1,832)</u>	<u>(288)</u>

The borrowings from related parties are unsecured. Interest is charged at a rate of 2.893% (2022: 2.548%). The balance of the debt is repayable by the year ending 31 March 2033 (2022: 31 March 2032).

The trading balances due to or from related parties are interest free, unsecured and repayable on demand.

**Notes to the Unaudited Financial Statements for the Year Ended 31 March 2023 (continued)**

## Transactions with related parties

	Intermediate parent company	Fellow subsidiaries	Total
2023	£ 000	£ 000	£000
Sale of goods and services	2,571	641	3,212

**Expenditure with related parties:**

		Intermediate parent company	Fellow subsidiaries	Total
2022	Note	£ 000	£ 000	£000
Administrative charges		-	(2,433)	(2,433)
Payment for provision of loan finance	5	(5,459)	-	(5,459)
		(5,459)	(2,433)	(7,892)

Page 33

## **Viridor Oxfordshire Limited**

### **Notes to the Unaudited Financial Statements for the Year Ended 31 March 2023 (continued)**

#### **21 Parent and ultimate parent undertaking**

*The company's immediate parent was Viridor Energy Limited.*

*The ultimate parent was KKR Planets Aggregator L.P.*

*The most senior parent entity producing publicly available financial statements was Planets UK Midco Limited. These financial statements are available upon request from 11th Floor, 200 Aldersgate Street, London, United Kingdom, EC1A 4HD*

*The parent of the smallest group in which these financial statements are consolidated is Viridor Energy (Investments One) Limited, incorporated in England.*

*The address of Viridor Energy (Investments One) Limited is:  
Viridor House, Priory Bridge Road, Taunton, Somerset, TA1 1AP*