OS Phoenix Bidco Limited

Annual report and financial statements

Registered number 10878079

For the year ended 31 December 2019

Contents

Directors' report

The directors present their annual report and financial statements for the year ended 31 December 2019.

Principal activities

The principal activity of the Company was that of an intermediate holding company.

On 13 November 2019 the Company issued 100 ordinary shares of £1 each for £152,143 consideration.

Dividends

No dividends were paid during the year *(2018: £nil)*. The directors do not recommend the payment of a final dividend *(2018: £nil)*.

Directors

The directors who held office during the period and to the date of this report were as follows:

N Armstrong
P Cox
R Ellis
M Joseph
E Lazarus
E Onuchukwu (resigned 8 July 2019)
J Sullivan

The directors and officers were insured by third party indemnity insurance during the period.

Going concern

The financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

The Directors have prepared a going concern assessment for the OS Phoenix Midco Limited Group, of which the company is a member, for a period of at least 12 months from the date of approval of these financial statements, which includes modelling severe but plausible financial scenarios that take into consideration the current economic environment due to COVID-19, including an additional period of lockdown, resulting in a reduction in revenue, and limited growth during 2021. This indicates that, the Group will have sufficient funds to meet its liabilities as they fall due for that period.

The OS Phoenix Midco Limited Group is funded through a combination of Shareholders' Funds, Secured term loans, Unsecured loan notes, intercompany balances and cash generated through operating profits. The Directors are satisfied that the maturity of these financing arrangements is sufficiently long term and there is not an immediate requirement to refinance or review the capital structure at this time. Whilst the UK's economic outlook resulting from the global COVID-19 pandemic remains uncertain, the Directors have considered the impact to the Group by conducting extensive scenario analysis on the Group's profitability, the availability of cash to meet liabilities as they fall due and its compliance with the debt covenant attached to the Secured term loans.

Those forecasts are dependent on the Group's immediate parent, OS Phoenix Topco Limited, not seeking repayment of the amounts due from the group which at the year-end amounted to £75,599k. OS Phoenix Topco Limited has indicated its intention to continue to make available such funds as are needed by the Group, and that it does not intend to seek repayment of the amounts due at the balance sheet date, until such time that the Group is able to realise its assets and discharge its liabilities as they fall due. As with any Company placing reliance on other group entities for financial support, the Directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Taking the above into consideration, the Directors believe that there are no material uncertainties to the Group's ability to operate as a going concern and to continue realising its assets and discharging its liabilities in the normal course of business.

OS Phoenix Bidco Limited's ultimate parent, OS Phoenix Midco Limited, have provided a letter of support to confirm their intention to continue to operate a centralised Group treasury arrangement, facilitating the Company to enable it to meet its liabilities as they fall due for a period of at least 12 months from the date of these financial statements. Consequently, the directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Directors' report *(continued)*

Political contributions

The Company made no political donations or incurred any political expenditure during the period.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board

J Sullivan
Director

Kelsall House
Stafford Court
Stafford Park 1
Telford

11 December 2020

Statement of directors' responsibilities in respect of the Directors' report and the financial statements

The directors are responsible for preparing 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of OS Phoenix Bidco Limited

Opinion

We have audited the financial statements of OS Phoenix Bidco Limited ("the Company") for the year ended 31 December 2019 which comprise the Profit and loss account, Balance sheet, Statement of changes in equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model, and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Company will continue in operation.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that reports and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 3, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.

Chris Cole

Chris Cole (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

11 December 2020

One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

Profit and loss account
for the year ended 31 December 2019

	Note	**2019** **£000**	2018 £000
Turnover	*2*	**1,675**	1,206
Cost of sales		**-**	-
Gross profit		**1,675**	1,206
Administrative expenses		**(1,362)**	(990)
Operating profit	*3*	**313**	216
Income from fixed asset investments		**1,832**	-
Interest receivable and similar income	*5*	**220**	6
Interest payable and similar charges	*6*	**(12,208)**	(9,829)
Loss before taxation		**(9,843)**	(9,607)
Taxation	*7*	**-**	-
Loss for the financial year		**(9,843)**	(9,607)

All results are from continuing operations.

There was no other comprehensive income in the current or preceding period. Comprehensive income comprises the loss for the current and preceding period.

The notes on pages 9 to 15 form part of these financial statements.

Balance sheet
at 31 December 2019

	Note	**2019** **£000**	**£000**	2018 £000	£000
Fixed assets					
Investments	*8*		**130,331**		121,049
Current assets					
Other financial assets	*9*	**6**		133	
Debtors (including debtors due after more than one year of £2,053,000 *(2018: £1,833,000)*)	*10*	**3,677**		2,395	
		3,683		2,528	
Creditors: amounts falling due within one year	*11*	**(3,064)**		(209)	
Net current assets			**619**		2,319
Total assets less current liabilities			**130,950**		123,368
Creditors: Amount falling due after more than one year	*12*		**(153,336)**		(136,063)
Net liabilities			**(22,386)**		(12,695)
Capital and reserves					
Share capital	*13*		**1**		1
Share premium			**977**		825
Profit and loss account			**(23,364)**		(13,521)
Shareholders' deficit			**(22,386)**		(12,695)

The notes on pages 9 to 15 form part of these financial statements.

These financial statements were approved by the board of directors on 11 December 2020 and were signed on its behalf by:

J Sullivan
Director

Company registered number: 10878079

Statement of changes in equity

	Share capital	Share premium	Profit and loss account	Total equity
	£000	£000	£000	£000
Balance at 1 January 2018	1	687	(3,914)	(3,226)
Issue of shares at premium	-	138	-	138
Total comprehensive income for the period				
Loss for the year	-	-	(9,607)	(9,607)
Balance at 31 December 2018	1	825	(13,521)	(12,695)

	Share capital	Share premium	Profit and loss account	Total equity
	£000	£000	£000	£000
Balance at 1 January 2019	1	825	(13,521)	(12,695)
Issue of shares at premium	-	152	-	152
Total comprehensive income for the period				
Loss for the year	-	-	(9,843)	(9,843)
Balance at 31 December 2019	1	977	(23,364)	(22,386)

The notes on pages 9 to 15 form part of these financial statements.

Notes
(forming part of the financial statements)

1 Accounting policies

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements:

1.1 Company information

OS Phoenix Bidco Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK.

1.2 Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 102, *The Financial Reporting Standard applicable in the UK and Republic of Ireland* ("FRS 102"). The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The largest group in which the results of the Company and its group are consolidated is that headed by OS Phoenix Midco Limited. The consolidated financial statements of OS Phoenix Midco Limited are available to the public and may be obtained from Companies House. In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of OS Phoenix Midco Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- The disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The financial statements are prepared on a historic cost basis.

1.3 Accounting estimates and judgements

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

The directors do not consider that there have been any key assumptions made concerning the future and other key sources of estimation uncertainty or critical accounting judgements made at the balance sheet date which may cause material adjustment to the carrying value of assets or liabilities within the next financial period, other than as disclosed in these financial statements

1.4 Going concern

The financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

The Directors have prepared a going concern assessment for the OS Phoenix Midco Limited Group, of which the company is a member, for a period of at least 12 months from the date of approval of these financial statements, which includes modelling severe but plausible financial scenarios that take into consideration the current economic environment due to COVID-19, including an additional period of lockdown, resulting in a reduction in revenue, and limited growth during 2021. This indicates that, the Group will have sufficient funds to meet its liabilities as they fall due for that period.

The OS Phoenix Midco Limited Group is funded through a combination of Shareholders' Funds, Secured term loans, Unsecured loan notes, intercompany balances and cash generated through operating profits. The Directors are satisfied that the maturity of these financing arrangements is sufficiently long term and there is not an immediate requirement to refinance or review the capital structure at this time. Whilst the UK's economic outlook resulting from the global COVID-19 pandemic remains uncertain, the Directors have considered the impact to the Group by conducting extensive scenario analysis on the Group's profitability, the availability of cash to meet liabilities as they fall due and its compliance with the debt covenant attached to the Secured term loans.

Those forecasts are dependent on the Group's immediate parent, OS Phoenix Topco Limited, not seeking repayment of the amounts due from the group which at the year-end amounted to £75,599k. OS Phoenix Topco Limited has indicated its intention to continue to make available such funds as are needed by the Group, and that it does not intend to seek repayment of the amounts due at the balance sheet date, until such time that the Group is able to realise its assets and discharge its liabilities as they fall due. As with any Company placing reliance on other group entities for financial support, the Directors acknowledge that there can be no certainty

Notes *(continued)*

1 Accounting policies (continued)

1.4 Going concern (continued)

that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Taking the above into consideration, the Directors believe that there are no material uncertainties to the Group's ability to operate as a going concern and to continue realising its assets and discharging its liabilities in the normal course of business.

OS Phoenix Bidco Limited's ultimate parent, OS Phoenix Midco Limited, have provided a letter of support to confirm their intention to continue to operate a centralised Group treasury arrangement, facilitating the Company to enable it to meet its liabilities as they fall due for a period of at least 12 months from the date of these financial statements. Consequently, the directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

1.5 Group financial statements

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

1.6 Related party transactions

As the whole of the Company's voting rights are controlled within the group headed by OS Phoenix Midco Limited, the Company has taken advantage of the exemption contained in FRS 102 and has, therefore, not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of OS Phoenix Midco Limited, within which this Company is included, can be obtained from Companies House.

1.7 Classification of financial instruments issued by the Company

Following the adoption of FRS 102.22, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and

b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

1.8 Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Investments in subsidiaries

These are separate financial statements of the Company. Investments in subsidiaries are carried at cost less impairment.

Notes *(continued)*

1 Accounting policies *(continued)*

1.9 Other financial instruments

Financial instruments not considered to be Basic financial instruments (Other financial instruments)

Other financial instruments not meeting the definition of Basic Financial Instruments are recognised initially at fair value. Subsequent to initial recognition other financial instruments are measured at fair value with changes recognised in profit or loss except as follows:

- Derivative financial instruments are recognised at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

1.10 Expenses

Interest receivable and Interest payable

Other interest receivable and similar income includes interest receivable on funds invested. Interest income and similar income are recognised in profit or loss as they accrue, using the effective interest method.

Interest payable and similar charges includes interest payable on the secured term loan, intercompany 2047 loan notes and intercompany loans as well as bank interest and unwinding of facility fees payable and are recognised in profit and loss over the period for which the loans were issued using the effective interest method.

Dividend income is recognised in the profit and loss account on the date the Company's right to receive payments is established.

1.11 Turnover

Turnover comprises revenue recognised in respect of management services supplied during the year, exclusive of Value Added Tax.

1.12 Taxation

Tax on the profit or loss for the period comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that is it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

2 Analysis of turnover

The whole of turnover is attributable to the principal activity of the Company being management services to the OS Phoenix group of companies.

All turnover arose within the United Kingdom.

3 Expenses and auditor's remuneration

Amounts receivable by the Company's auditor and its associates in respect of the audit of the financial statements of the Company is £7,000 *(2018: £5,500)*. Auditor's remuneration has been borne by another group company.

Notes *(continued)*

4 Staff numbers and costs

The Company has no employees other than the directors, who did not receive any remuneration for their services to the Company during the period.

5 Interest receivable and similar income

	2019 £000	2018 £000
Interest receivable on 12% unsecured 2047 loan notes issued to group undertakings	**220**	6

6 Interest payable and similar charges

	2019 £000	2018 £000
Interest payable on 12% unsecured 2047 loan notes issued by group undertakings	**524**	337
Interest payable on amounts owed to group undertakings	**7,214**	6,775
Secured term loan interest payable	**3,963**	2,397
Amortisation of debt issue costs relating to secured term loan	**380**	254
Change in fair value of interest rate cap	**127**	66
Total interest payable and similar charges	**12,208**	9,829

7 Taxation

Total tax expense recognised in the profit and loss account, other comprehensive income and equity

	2019 £000	2018 £000
UK corporation tax:		
Current tax on loss for the period	-	-
Total current tax	-	-
Total deferred tax	-	-
Total tax	-	-

Factors affecting the tax charge for the current period

The current tax charge for the period is higher *(2018: higher)* than the standard rate of corporation tax in the UK of 19% *(2018: 19%)*. The differences are explained below:

	2019 £000	2018 £000
Reconciliation of effective tax rate		
Loss before tax	**(9,843)**	(9,607)
Tax using the UK corporation tax rate of 19% *(2018: 19%)*	**(1,870)**	(1,825)
Effects of:		
Expenses not deductible for tax purposes	**1**	-
Non-taxable income	**(348)**	-
Group relief	**2,232**	1,822
Transfer pricing adjustments	**(15)**	3
Total tax charge included in profit or loss	-	-

Notes *(continued)*

7 Taxation *(continued)*

Factors that may affect future current and total tax charges

A reduction in the UK corporation tax rate from 19% to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. The reversal of this reduction, before it came into effect, was substantially enacted on 17 March 2020.

8 Fixed asset investments

	Investments in subsidiary undertakings £000
Cost	
At beginning of year	121,049
Additions	9,282
At end of year	130,331
Net book value	
At 31 December 2019	**130,331**
At 31 December 2018	121,049

On 30 September 2019 the Company acquired the whole of the share capital of Reconomy (UK) Limited from its subsidiary holding company, Outsourcing Strategies 5 Limited as part of a group restructuring to rationalise the corporate structure. The acquisition increased the cost of investment in the company by £1,941,315.

On 13 November 2019 the Company subscribed for 100 ordinary shares of £1 each in Reconomy (UK) Limited for consideration of £6,678,127 as part of the funding to acquire Nationwide Services Group Limited.

The following were the principal subsidiary undertakings of the Company at the year end:

Company name	Country of incorporation	% shareholding	Description
OS Phoenix Acquisition Limited	England & Wales – (1)	100	Intermediate holding company
Reconomy (UK) Limited	England & Wales – (1)	100	Waste management and environmental services
Prismm Limited*	England & Wales – (1)	100	Waste management and environmental services
Advanced Waste Solutions Limited*	England & Wales – (1)	100	Waste management and environmental services
Nationwide Services Group Limited*	England & Wales – (1)	100	Waste management and environmental services
Cauda Limited*	England & Wales – (1)	100	Waste management and environmental services
Valpak Holdings Limited*	England & Wales – (2)	100	Intermediate holding company
Valpak Limited*	England & Wales – (2)	100	Producer responsibility compliance and consultancy services
Valpak Scotland Limited*	Scotland – (3)	100	Producer responsibility compliance and consultancy services
Valpak Recycling Limited *	England & Wales – (2)	100	Waste management and environmental services
Valpak Retail WEEE Services Limited *	England & Wales – (2)	100	Operator of distributor take back scheme

* held indirectly

(1) Registered office – Kelsall House, Stafford Court, Stafford Park 1, Telford, Shropshire TF3 3BD
(2) Registered office – Unit 4 Stratford Business Park, Banbury Road, Stratford-Upon-Avon, Warwickshire CV37 7GW
(3) Registered office – Saltire Court 2nd Floor North, 20 Castle Terrace, Edinburgh EH1 2EN

Notes *(continued)*

9 Other financial assets

	2019 £000	2018 £000
Interest rate cap	**6**	133

The other financial asset relates to an interest rate cap purchased to hedge the secured term loans against movements in underlying LIBOR. The interest rate cap covers £30,862,500 of the principal outstanding against LIBOR exceeding 1.25% and expires on 30 June 2021.

The interest rate cap is valued at fair value through profit or loss based on counterparty valuations estimating cash flows based on the terms and maturity of the contract and using market interest rates.

10 Debtors

	2019 £000	2018 £000
Due within one year		
Prepayments and accrued income	**29**	-
Amounts owed by group undertakings	**1,595**	353
Other debtors	**-**	209
Due after more than one year		
12% Unsecured Loan Notes	**2,053**	1,833
	3,677	2,395

Amounts owed by group undertakings are unsecured, interest free and repayable on demand. The 12% Unsecured 2047 Loan Notes are unsecured, bear interest at 12% per annum and are repayable other than by instalments on 8 August 2047 or on an exit event although earlier repayments may be made on a voluntary basis. Interest is not required to be paid in cash until the date of repayment.

11 Creditors: amounts falling due within one year

	2019 £000	2018 £000
Amounts owed to group undertakings	**3,064**	-
Other creditors	**-**	209
	3,064	209

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

Notes *(continued)*

12 Creditors: amounts falling due after more than one year

	2019 £000	2018 £000
Secured term loan	**72,565**	72,878
Amounts owed to group undertakings	**75,886**	58,824
12% Unsecured 2047 loan notes	**4,885**	4,361
	153,336	136,063

The secured term loan facility is secured by a fixed and floating charge against the Group's assets, currently bears interest at 4.25% above LIBOR and is repayable otherwise than by instalments on 6 April 2025. Interest on the secured term loans is payable quarterly.

Amounts owed to group undertakings are unsecured, bears interest at 12% per annum and are repayable otherwise than by instalments on 8 August 2047 or on an exit event. The 12% Unsecured 2047 Loan Notes are unsecured and repayable otherwise than by instalments on 8 August 2047 or on an exit event.

No mandatory cash interest or capital repayments are due on either the 12% Unsecured 2047 Loan Notes or amounts owed to group undertakings.

13 Share capital

	2019 £000	2018 £000
Allotted, called up and fully paid		
1,200 ordinary shares of £1 each *(2018: 1,100 ordinary shares of £1 each)*	**1**	1

On 13 November 2019 the Company issued 100 ordinary shares of £1 each for £152,143 consideration.

14 Ultimate parent company and parent company of larger group

The Company is a subsidiary undertaking of OS Phoenix Holdco Limited.

At the balance sheet date, OS Phoenix Midco Limited is the parent undertaking of the largest group for which group financial statements have been prepared. These consolidated financial statements are available from Companies House.

The ultimate parent undertaking and controlling party is OS Phoenix Topco Limited (registered in Jersey at 11-15 Seaton Place, St Helier, Jersey JE4 0QH).

15 Post balance sheet events

The unprecedented recent events related to COVID-19 have started to cause significant disruption to the global and UK economy. The duration and magnitude of this disruption and hence the impact on our financial results are impossible to predict at present. However, these events have occurred since the balance sheet date and as a result are considered to be non-adjusting post balance sheet events.