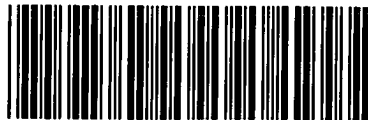


MVV Environment Baldovie Waste Limited

Annual report and financial statements

For the year ended 30 September 2023

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MVV Environment Baldovie Waste Limited

Company Information

| | |
|-----------------------------|---|
| Directors | P M Carey M A Turner P R Knapp |
| Registered number | SC175389 |
| Registered office | MVV Environment Baldovie Waste Limited Forties Road Dundee Scotland DD4 0NS |
| Independent auditors | PricewaterhouseCoopers LLP Chartered Accountants & Statutory Auditors 2 Glass Wharf Bristol BS2 0FR |

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Strategic report
For the year ended 30 September 2023

The Directors present their Strategic report for the year ended 30 September 2023.

Principal activities

The Company operates two Energy from Waste facilities located in Baldovie Industrial Estate, Dundee. There is an existing 23 year old facility and a new facility which in prior year achieved its first full year of operations. Energy from Waste (EfW) is the generation of renewable electricity and usable heat from non-recyclable waste that would otherwise go to landfill.

The Company is privately owned and limited by shares. Details of the ownership of the Company are given in note 12, and the number of shares in issue is shown in note 10.

Review of the business

The results of the business can be seen in the Statement of comprehensive income on page 10, and the financial position can be seen in the Statement of financial position on page 11. The results for the prior year included the first full year of operations for the new EfW facility which was handed over from the constructor on 20 January 2022, having achieved full operation status from 2 August 2021. The available hours of operation at the new facility remained at a high level and were consistent with prior year. However, the existing facility had improved performance compared to prior year resulting in a higher level of availability for burning waste and generating electricity. This is reflected in the increase of volumes of both incinerated waste and electricity sold as noted in the key performance indicators below.

The Directors are pleased with the excellent results achieved from the new EfW facility and the further continued improvement of the existing facility.

Key performance indicators

The key performance indicators used by the board to monitor the performance of the business are as follows:

| KPI | Measure | 2023 | 2022 | 2021 |
|--------------------------|----------------|-------------|-------------|-------------|
| Waste incinerated | tonnes | 192,249 | 182,452 | 127,510 |
| Electricity sold volumes | MWh | 121,029 | 116,326 | 50,102 |

Principal risks and uncertainties

Similar to most businesses, there are a range of risks and uncertainties, both financial and environmental, facing the Company. The list below is not intended to be exhaustive, however, the Directors apply risk assessment and mitigation procedures in order to reduce the nature and extent of the risk exposure to an acceptable level.

Financial risk management

The Company's operations expose it to financial risks including credit risk, liquidity risk and foreign currency risk. The Company has in place several financial risk management policies that seek to limit potential adverse effects on the financial performance of the Company by monitoring the levels of cash and financial instruments held.

Credit risk

Credit risk arises on credit exposure to the Company's customer base. The Company limits its exposure to such customers by means of a policy of credit checking all potential customers as part of the on-boarding process. Customer debt is actively monitored, and appropriate action taken on any potential exposures.

MVV Environment Baldovie Waste Limited

Strategic report (continued)
For the year ended 30 September 2023

Financial risk management (continued)

Liquidity risk

Cash deposits are maintained by the parent company, MVV Environment Baldovie Limited, to ensure that the Company has sufficient available funds for operations.

Foreign currency risk

The Company has several suppliers based in the European Union, issuing invoices denominated in Euros. To mitigate the impact of the currency exchange fluctuations, the Company is seeking to source the required materials and services from suppliers based in the UK.

Environmental risk management

The Company has exposure to several regulatory risks relating to the environment. The Company complies with the requirements of the Scottish Environment Protection Agency (SEPA) through continuously monitoring emissions using independently certified equipment that is proactively maintained. In addition, residues are routinely sampled to ensure they remain non-hazardous in nature. The Company recognises that the National Policy Statements for Renewable Energy Infrastructure (EN-3) may become more stringent with the increasing impact of climate change, for example, in relation to Carbon Capture technology.

The Company complies with the government regulator (Ofgem) and maintains the status of operating renewable energy facilities.

Other environmental risks include future changes in legislation which may impact waste to power facilities, such as further reforms for decarbonisation of UK industry.

Research and Development

The Company is currently not undertaking any research and development work.

Future developments

On 1 October 2023, the trade, assets and liabilities of the Company were hived up to the immediate parent company, MVV Environment Baldovie Limited. The operations previously carried out by the Company are now being carried out by MVV Environment Baldovie Limited.

Going concern

As the Company has ceased to trade following the hive up to the immediate parent company on 1 October 2023, the Directors have elected to prepare the financial statements on a basis other than that of a going concern. The Directors are of the opinion that there would not be any material difference in the reported results of the Company if the going concern basis of preparation had been applied to these accounts.

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


.....
P M Carey
Director

Date:

19/3/24

Directors' report
For the year ended 30 September 2023

The Directors present their report and the audited financial statements for the year ended 30 September 2023.

Principal activities

The principal activity of the Company is the operation of Energy from Waste (EfW) facilities.

Directors

The Directors of the Company who were in office during the year and up to the date of signing the financial statements were:

P M Carey
M A Turner
P R Knapp

Dividends

Dividends paid during the year amount to £nil (2022: £4,000,000). The Directors do not recommend the payment of a final dividend in respect of the year (2022: £nil).

Political and charitable contributions

The Company made no charitable donations during the year (2022: £nil).

The Company made no political donations during the year (2022: £nil).

Operating performance

As mentioned in the Strategic report on pages 1 and 2, the existing facility has continued to provide improved reliability and performance, benefiting from significant investment in maintenance and machinery in recent years to extend the operating life of the facility. The new facility has continued to exceed expectations in its second full year of operations, achieving a very high level of availability.

Revenue from gate fees has increased from prior year which is partly due to higher volumes of waste and partly due to an increase in the gate fees driven by annual inflation. Cost of sales mainly consists of the gate fees charged by the Company's fellow subsidiary to deliver waste to the boiler, and has increased in line with the revenue received for this waste from the local authority and commercial customers. However, partly offsetting this cost increase is a reduction in the amount of excess revenue shared with the local authority as well as lower costs of disposal and equipment which has resulted in an overall growth in gross profit from 10.6% to 15.8% in the year. Administrative expenses are mainly in line with prior year and include costs of insurance, staff costs, depreciation of assets and management fees as recharged by the immediate parent company.

The results for the year show profit before taxation of £597,421 (2022: loss of £1,279,819) with net assets closing position of £1,812,755 (2022: £1,355,771).

The Directors are pleased with the operating performance and financial results and look forward to the continued success of operating both EfW facilities by the immediate parent company, following the transfer of the trade on 1 October 2023.

Financial risk management and future developments

Details of the Company's financial risk management and future developments have been disclosed within the Strategic report on pages 1 and 2.

MVV Environment Baldovie Waste Limited

Directors' report (continued)
For the year ended 30 September 2023

Directors' indemnities

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year Directors' and officers' liability insurance in respect of itself and its Directors.

Independent auditors

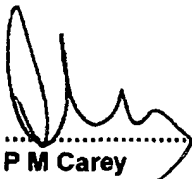
The independent auditors, PricewaterhouseCoopers LLP, will be rotated for the following financial year. Successor auditors will be proposed for appointment in accordance with section 485 of the Companies Act 2006.

Directors' confirmations

In the case of each Director in office at the date the Directors' report is approved:

- so far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

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


.....
P M Carey
Director

Date:

19/3/24

**Directors' responsibilities statement
For the year ended 30 September 2023**

The Directors are responsible for preparing the Annual report and financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

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

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

**Independent auditors' report to the members of MVV Environment Baldovie Waste Limited
For the year ended 30 September 2023**

Report on the audit of the financial statements**Opinion**

In our opinion, MVV Environment Baldovie Waste Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the Statement of financial position as at 30 September 2023; the Statement of comprehensive income and Statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Emphasis of matter - financial statements prepared on a basis other than going concern

In forming our opinion on the financial statements, which is not modified, we draw attention to note 1.3 to the financial statements which describes the directors' reasons why the financial statements have been prepared on a basis other than going concern.

Independent auditors' report to the members of MVV Environment Baldovie Waste Limited (continued)
For the year ended 30 September 2023

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 30 September 2023 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit**Responsibilities of the directors for the financial statements**

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

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

Independent auditors' report to the members of MVV Environment Baldovie Waste Limited (continued)
For the year ended 30 September 2023

Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Discussions with management to enquire of any known instances of non-compliance with laws and regulations and fraud;
- Reading board minutes for evidence of breaches of regulations and reading relevant correspondence;
- Challenging assumptions and judgements made by the management in their significant accounting estimates;
- Identifying and testing journal entries, in particular journal entries posted with unexpected account combinations; and
- Incorporating unpredictability into the nature, timing and/or extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Independent auditors' report to the members of MVV Environment Baldovie Waste Limited (continued)
For the year ended 30 September 2023

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



Colin Bates (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Bristol
Date: 20 March 2024

**Statement of comprehensive income
For the year ended 30 September 2023**

| | Note | 2023 £ | 2022 £ |
|--|-------------|---------------------|-------------------|
| Revenue | 3 | 29,037,323 | 26,578,473 |
| Cost of sales | | (24,433,332) | (23,751,771) |
| Gross profit | | 4,603,991 | 2,826,702 |
| Administrative expenses | | (4,006,570) | (4,106,521) |
| Operating profit/(loss) | 4 | 597,421 | (1,279,819) |
| Profit/(loss) before taxation | | 597,421 | (1,279,819) |
| Tax on profit/(loss) | 7 | (140,437) | (509) |
| Profit/(loss) for the financial year | | 456,984 | (1,280,328) |
| Total comprehensive income/(expense) for the financial year | | 456,984 | (1,280,328) |

The notes on pages 13 to 21 form part of these financial statements.

MVV Environment Baldovie Waste Limited
Registered number: SC175389

Statement of financial position
As at 30 September 2023

| | Note | 2023 £ | 2022 £ |
|--|------|--------------------|--------------------|
| Current assets | | | |
| Trade and other receivables | 8 | 4,096,128 | 9,352,328 |
| Total current assets | | <u>4,096,128</u> | <u>9,352,328</u> |
| Creditors: amounts falling due within one year | 9 | (2,283,373) | (7,996,557) |
| Total current liabilities | | <u>(2,283,373)</u> | <u>(7,996,557)</u> |
| Net current assets | | <u>1,812,755</u> | <u>1,355,771</u> |
| Net assets | | <u>1,812,755</u> | <u>1,355,771</u> |
| Equity | | | |
| Called up share capital | 10 | 100 | 100 |
| Profit and loss account | 10 | 1,812,655 | 1,355,671 |
| Total equity | | <u>1,812,755</u> | <u>1,355,771</u> |

The notes on pages 13 to 21 form part of these financial statements.

The financial statements on pages 10 to 21 were approved by the board of Directors on 19/5/24 and were signed on its behalf by:


.....
P M Carey
Director

MVV Environment Baldovie Waste Limited

Statement of changes in equity
For the year ended 30 September 2023

| | Called up share capital | Retained earnings | Total equity |
|---|------------------------------------|------------------------------|---------------------|
| | £ | £ | £ |
| At 1 October 2021 | 100 | 6,635,999 | 6,636,099 |
| Loss for the financial year | - | (1,280,328) | (1,280,328) |
| Total comprehensive expense for the financial year | - | (1,280,328) | (1,280,328) |
| Dividends paid | - | (4,000,000) | (4,000,000) |
| At 30 September 2022 | 100 | 1,355,671 | 1,355,771 |
| Profit for the financial year | - | 456,984 | 456,984 |
| Total comprehensive income for the financial year | - | 456,984 | 456,984 |
| At 30 September 2023 | 100 | 1,812,655 | 1,812,755 |

Notes to the financial statements
For the year ended 30 September 2023

1. Accounting policies

MVV Environment Baldovie Waste Limited (the "Company") is a Company incorporated and domiciled in Scotland, UK. The registered office is Forties Road, Dundee DD4 0NS.

1.1 Historical cost convention

The financial statements are prepared on the historical cost basis, as explained in the accounting policies below unless otherwise stated, and in accordance with the Companies Act 2006, as applicable to companies adopting Financial Reporting Standard 101 and United Kingdom Accounting Standards – Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). Historical cost is generally based on the fair value of the consideration given in exchange of assets. The principal accounting policies that have been applied consistently throughout the period are set out below.

1.2 Financial Reporting Standard 101 - reduced disclosure exemptions

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

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
 - paragraph 118(e) of IAS 38 Intangible Assets;
 - paragraphs 76 and 79(d) of IAS 40 Investment Property; and
 - paragraph 50 of IAS 41 Agriculture
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

**Notes to the financial statements
For the year ended 30 September 2023**

1. Accounting policies (continued)**1.3 Going concern**

On 1 October 2023, the trade, assets and liabilities of the Company were hived up to the immediate parent company, MVV Environment Baldovie Limited. The operations previously carried out by the Company are now being carried out by MVV Environment Baldovie Limited.

As the Company has ceased to trade and it is the intention to liquidate the Company within 12 months of signing the financial statements, the Directors have elected to prepare the financial statements on a basis other than that of a going concern. The Directors are of the opinion that there would not be any material difference in the reported results of the Company if the going concern basis of preparation had been applied to these accounts.

1.4 Revenue

Revenue represents the fair value of the consideration received or receivable for processing waste and is stated net of VAT. Revenue is recognised when performance obligations have been satisfied which is when gate fees are earned, and the service has been provided to the customer. Revenue solely relates to operations in the UK.

1.5 Expenses*Financing income and expenses*

Financing expenses comprise interest payable. Financing income comprises interest receivable on funds invested. Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Foreign currency gains and losses are reported on a net basis.

1.6 Trade and other receivables

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses for bad and doubtful debts except where the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less impairment for bad and doubtful debts.

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due.

1.7 Trade and other payables

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

1.8 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the Statement of financial position, to the extent that a bank overdraft exists they are shown within current liabilities. At the balance sheet date there were no overdrawn bank accounts.

Notes to the financial statements
For the year ended 30 September 2023

1. Accounting policies (continued)**1.9 Taxation**

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

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 years.

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Recoverability of intercompany receivables

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. Management considers each period whether there is any indication of impairment in relation to intercompany receivables. No such indicators have been identified in the current or prior period. As the intercompany receivables are normally short-term in nature, there is no requirement to perform a full impairment review unless such indicators exist.

3. Revenue

An analysis of revenue by class of business is as follows:

| | 2023 | 2022 |
|------------------------|--------------------------|-------------------|
| | £ | £ |
| Revenue from gate fees | 28,968,852 | 26,467,081 |
| Other revenue | 68,471 | 111,392 |
| | <u>29,037,323</u> | <u>26,578,473</u> |

All revenue arose within the United Kingdom.

Notes to the financial statements
For the year ended 30 September 2023

4. Operating profit/(loss)

The operating profit/(loss) is stated after charging:

| | 2023 £ | 2022 £ |
|-----------------|------------------|------------------|
| Recharged costs | <u>4,006,570</u> | <u>4,106,521</u> |

Recharged costs relate to an allocation to this Company of amounts borne by MVV Environment Baldovie Limited on behalf of the group. These include amounts for insurance, staff costs, administration costs and depreciation of assets.

All staff costs are shown within note 6 on page 17.

Auditors' remuneration

| | 2023 £ | 2022 £ |
|-------------------------------------|--------------|--------------|
| Audit of these financial statements | <u>9,681</u> | <u>8,167</u> |

5. Directors' remuneration

Directors' remuneration is borne by MVV Environment Baldovie Limited as a result of their services being provided to the group, rather than the individual group companies. The Directors' remuneration has been disclosed in the financial statements issued by MVV Environment Baldovie Limited. It is not possible to apportion the proportion of the Directors' work that was done for the Company.

**Notes to the financial statements
For the year ended 30 September 2023**

6. Particulars of employees

| | 2023 £ | 2022 £ |
|-----------------------|-------------------|-------------------|
| Wages and salaries | 1,244,088 | 1,031,947 |
| Social security costs | 129,997 | 142,409 |
| Other pension costs | 73,607 | 61,917 |
| | 1,447,692 | 1,236,273 |

| | 2023 No. | 2022 No. |
|--|---------------------|---------------------|
| Management (including admin) - average monthly number of employees | 1 | 1 |
| Operations - average monthly number of employees | 27 | 21 |
| | 28 | 22 |

The Company does not directly employ any staff, therefore employee numbers are derived from the numbers allocated to each department. The payroll costs of these employees are recharged by MVV Environment Baldovie Limited, the employer of these individuals. The aggregate payroll costs above only relate to those costs which have been recharged to this Company.

7. Tax on profit/(loss)

| | 2023 £ | 2022 £ |
|--|-------------------|-------------------|
| a) Tax charge per the Statement of comprehensive income | | |
| Current tax charge | | |
| Current year | 65,605 | - |
| Current tax charge | 65,605 | - |
| Deferred tax charge | | |
| Origination and reversal of timing differences | 309 | 378 |
| Tax losses available | 74,523 | 131 |
| Deferred tax charge | 74,832 | 509 |
| Tax charge per Statement of comprehensive income | 140,437 | 509 |

Notes to the financial statements
For the year ended 30 September 2023

7. Tax on profit/(loss) (continued)**b) Reconciliation of standard tax rate**

The UK government announced in its 2021 budget an increase in the rate of Corporation Tax from 19% to 25% with effect from 1 April 2023. As a result of this, a blended current tax rate of 22.01% has been applied to taxable profits. The tax assessed for the year is higher than (2022 - higher than) the blended rate of corporation tax in the UK of 22.01% (2022 - 19%). The differences are explained below:

| | 2023 £ | 2022 £ |
|---------------------------------------|----------------|-------------|
| Profit/(loss) before taxation | 597,421 | (1,279,819) |
| Total tax at 22.01% (2022 - 19%) | 131,492 | (243,166) |
| | <hr/> | <hr/> |
| Effects of: | | |
| Group relief surrendered | - | 243,452 |
| Deferred tax adjustments | 74,555 | 223 |
| Utilisation of losses brought forward | (65,610) | - |
| | <hr/> | <hr/> |
| Total tax charge | 140,437 | 509 |
| | <hr/> <hr/> | <hr/> <hr/> |

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

Notes to the financial statements
For the year ended 30 September 2023

7. Tax on profit/(loss) (continued)**c) Deferred tax**

The deferred tax included within the Statement of financial position is as follows:

| | 2023 £ | 2022 £ |
|--|-------------------------|-------------------------|
| Deferred tax asset | | |
| Tax losses carried forward | 1,678,456 | 1,752,979 |
| Decelerated capital allowances | 1,410 | 1,719 |
| | <u>1,679,866</u> | <u>1,754,698</u> |
| Net deferred tax asset recognised within the Statement of financial position | <u>1,679,866</u> | <u>1,754,698</u> |
| | <u><u>1,679,866</u></u> | <u><u>1,754,698</u></u> |

The net deferred tax asset is shown within note 8 below.

A deferred tax asset has been recognised as the Directors conclude that it is probable that the business, as operated by the immediate parent company following the transfer of the trade and assets on 1 October 2023, will continue to generate taxable profits in the future against which the tax losses carried forward can be utilised.

8. Trade and other receivables

| | 2023 £ | 2022 £ |
|---------------------------------|------------------|------------------|
| Trade receivables | 2,416,262 | 2,101,530 |
| Amounts owed by group companies | - | 5,496,100 |
| Deferred tax asset | 1,679,866 | 1,754,698 |
| | <u>4,096,128</u> | <u>9,352,328</u> |

Amounts owed by group companies are unsecured and repayable on demand.

Notes to the financial statements
For the year ended 30 September 2023

9. Creditors: amounts falling due within one year

| | 2023 £ | 2022 £ |
|---------------------------------|------------------|------------------|
| Trade payables | 31,118 | 166,740 |
| Amounts owed to group companies | 1,163,376 | 4,000,000 |
| Corporation tax | 65,605 | - |
| Accruals and deferred revenue | 1,023,274 | 3,829,817 |
| | <u>2,283,373</u> | <u>7,996,557</u> |

Amounts owed to group companies are unsecured and repayable on demand.

10. Called up share capital and Profit and loss account

| | 2023 £ | 2022 £ |
|---|------------|------------|
| Authorised, called up, allotted and fully paid share capital | | |
| 100 (2022 - 100) Ordinary shares of £1 each | <u>100</u> | <u>100</u> |

Profit and loss account

| | £ | £ |
|--------------------------------------|------------------|------------------|
| At 1 October 2022 and 1 October 2021 | 1,355,671 | 6,635,999 |
| Profit for financial year | 456,984 | (1,280,328) |
| Dividends | - | (4,000,000) |
| | <u>1,812,655</u> | <u>1,355,671</u> |

Dividends paid during the year amount to £nil per share (2022: £40,000).

11. Related party transactions

The Company as a wholly owned subsidiary of MVV Environment Baldovie Limited has taken advantage of exemptions granted under IAS 24 'Related Party Disclosures' to disclose related party transactions entered into between two members of the same group, provided that both parties to the transaction are wholly owned by such a member. The Company had no transactions during the year or the preceding year with other related parties.

Notes to the financial statements
For the year ended 30 September 2023

12. Ultimate parent company and parent company of larger group

The Company is a wholly owned subsidiary of MVV Environment Baldovie Limited, the registered office address of this company is Forties Road, Dundee DD4 0NS. The ultimate parent and controlling party is MVV Energie AG, a company incorporated in Germany.

The largest and only group in which the results of the Company are consolidated is that headed by MVV Energie AG and these consolidated financial statements can be obtained from Luisenring 49, 68159 Mannheim.