Company Registration No. 10692707 (England and Wales)

ENVA TOPCO LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

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ENVA TOPCO LIMITED

COMPANY INFORMATION

Directors	Mr T E Easingwood Mr J M Gunton Mr J Moore Mr M T Tracey Mr N J Wall Mr T J Walsh Mr S A Woods
Company number	10692707
Registered office	Brailwood Road Bilsthorpe Newark Nottinghamshire United Kingdom NG22 8UA
Auditor	KPMG The Soloist Building 1 Lanyon Place Belfast Northern Ireland BT1 3LP

ENVA TOPCO LIMITED

CONTENTS

The directors present the Strategic Report and consolidated financial statements of Enva Topco Limited and its subsidiaries for the year ended 31 March 2021, hereinafter referred to as the 'Group'. The Company accounts of Enva Topco Limited are set out from page 60. This Strategic Report applies to both the Group and Parent Company.

Review of the business

This year's trading environment was challenging due to the impact of COVID-19 and the resulting social and economic restrictions. Against this backdrop, the directors are satisfied with an EBITDA result, pre-exceptional costs, of £41.7m for the year ended 31 March 2021 (2020 - £50.7m).

Given the unprecedented challenges presented by the pandemic, performance was generally robust. Our specialist waste entities have performed well due to their strong position in the market, providing tailored resource recovery solutions across a wide range of industries. Our recycling entities have also continued to create value through the recovery and recycling of waste materials.

A number of key initiatives which drive internal efficiencies were delayed in the first half of the year, as we consciously paused these projects to focus on Enva's response to COVID-19 and ensuring we were fully prepared to take full advantage of the economic recovery, which has already started. However, we re-engaged with these initiatives in the latter part of the year which include IT projects and enhancement of our systems.

Development and performance

The board continues its strategy of increasing the depth and breadth of recycling activities by investing in operational improvements, branding, systems and infrastructure. It is also committed to research and development, endeavouring to develop innovative waste solutions focussing on End of Waste criteria whereby certain waste ceases to be classified as waste and instead becomes a product or secondary raw material. The board considers acquisition opportunities which are in keeping with this strategy.

Principal risks and uncertainties

The Directors have identified the need to manage the Group's material financial risks, including foreign exchange, interest, credit, liquidity and capital risks. These risks are monitored by the Directors on a continuous basis. Details of the Group and Company's policies and objectives in financial risk management are set out in note 20 of the financial statements.

At an operating subsidiary level, key business risks include health and safety, Brexit, Covid-19 and pricing volatility in the commodities market. These are discussed further below.

Health and safety

Continuous improvement of our safety performance is a key priority and responsibility for all line managers and directors who are supported by experienced health and safety functions in each business. The health and safety performance of each business is reviewed regularly by the Group Board and senior management across the division. Through the use of relevant key performance indicators, the Board is focused on driving continuous improvement across all aspects of health and safety performance, including lost time incidents (LTIs), road traffic accidents (RTAs), safety awareness and safety culture.

Brexit
There have been no significant changes to the operations of the Group's business following the UK's exit from the EU on the 31st December 2020.

The majority of the products and services supplied by Enva are to customers within either the Republic of Ireland (ROI) or the United Kingdom (UK). The waste materials we manage are generally processed for re-use domestically within the ROI or the UK or, in the case of the ROI, exported to partners in other EU countries for further treatment. The products that we manufacture generally use raw materials sourced domestically from within the ROI or the UK respectively.

A small percentage of UK-origin waste is exported to the EU in the form of alternative fuel or recycled products. The regulatory regimes supporting such trans-frontier waste movements have continued to function. Whilst there were some initial logistical challenges, as faced by the rest of the UK economy, these were relatively short-lived and did not have a material impact on the Group.

Impact of COVID-19
Whilst COVID-19 has had, and continues to have, a significant impact on the wider economy the pandemic does not present a fundamental threat to our business model. Since the widespread lockdowns in April and December 2020, we have seen stronger than anticipated demand recovery across most Enva service lines. Furthermore, the diversity of the businesses across the Group and protects us from any sector specific shocks and allows us to capitalise on new opportunities to enhance our business.

Throughout, we have taken measures to prioritise the safety and wellbeing of our people. The most significant element of this was the introduction of remote working for our previously office-based staff. This continues to be the case for many of our staff and we will continue to monitor the situation closely in the coming months, with aview to welcoming our staff back to our offices once the covid-related restrictions have been removed.

Due to the additional measures noted above, the Group has incurred exceptional costs which included Covid testing for employees and extra facilities to allow for social distancing in the workplace. During the period, the cost of these measures was partially offset by availing of government support.

With the advancement of the respective vaccine programmes, in the UK and the ROI, it is anticipated that the remaining restrictions will be removed in summer 2021, which will mean that the final parts of the economy will be able to reopen fully. For Enva, this will mean a further increase in activity levels as the economy reboundsand many of the businesses that we support, with our goods and services, get back to trading at normal levels.

Pricing volatility in the commodities market
A principal risk for the Group is a fall in world commodity prices. The price risk associated with commodities is considered to be in the ordinary course of business for the Group. Where we are able, we negotiate index-linked prices to mitigate the impact of such fluctuations.

Key performance indicators
Key performance indicators include:

	2021	**2020**
	£000	**£000**
Revenue	247,249	292,554
EBITDA pre exceptional costs	41,708	50,730

	2021	**2020**
Net Leverage at 31 March	5.27:1	4.63:1

Key performance indicators (continued)

Net leverage above is the ratio of net debt to proforma EBITDA, pre exceptionals and monitoring costs. This is continuously monitored and reported to our lenders on a quarterly basis.

Key non-financial performance indicators include the monitoring of health and safety throughout the Group. This information is presented at each Company and Group board meeting and takes priority for discussion at the start of each meeting above all other matters.

S172 Statement

Building for the future

At Enva we are committed to recycling and resource recovery; it forms the basis of our business strategy and our values. We support the life cycle of waste products to provide either a second life, such as the production of energy or, in many cases, closed-loop recycling solutions.

A perfect example of this is our lead acid battery processing facility in Immingham, Lincolnshire, which was recently expanded. The latest investment has increased the site capacity by 50%, enabling it to store and process over 36,000 tonnes of batteries a year.

The recycling of batteries ensures valuable resources can be reused in more sustainable products rather than being lost to landfill or incineration. The expansion of our operations represents a significant increase in the UK's lead acid battery recycling capacity. This will result in fewer batteries being exported for treatment, driving additional CO2 savings, and creating employment in the local area.

The is a great example of Enva's strategy in action; delivering value for its investors, driving positive change in the communities in which it operates and contributing towards a sustainable future for all.

Employee engagement

Employee engagement is critical and employee news bulletins and briefings are regularly undertaken. The Group's intranet digital platform is also regularly updated. The business constantly strives for excellence in health and safety to ensure that a safe place of work is provided to all employees. Employees are actively encouraged to make suggestions as to how the business can become even safer and near miss reporting is promoted across the business.

Customer engagement

At Enva, engaging with customers and enhancing their experience is paramount. During the year we have invested in a new customer portal, MyEnva, which is an online tool for Enva customers designed to provide easy access to information in a variety of forms. This includes:

- the ability for customers to place orders for certain services particularly on demand container services such as skips,
- viewing a historical log of past work,
- viewing scheduled work such as planned collections; and
- providing access to a reporting tool which presents information in various forms.

MyEnva will allow customers 24hr access, 365 days of the year, to their waste collection data. This allows them to access and download the information they want when they want it. Customers will be able to slice and dice information to suit their needs, allowing them flexibility and control.

Other stakeholders

The company views positive interactions with all other stakeholders including suppliers and government agencies and the local community as key to its success. There are on-going periodic communications and interactions with all of these parties including: -

- Periodic meetings with suppliers to discuss performance and on-going requirements.
- Regular site visits with Environmental regulatory bodies
- Regular site visits with Health and Safety regulators
- Sponsorship of local charities

Carbon emissions and energy reporting

Greenhouse gas emissions and energy use data	2021	2020
Energy consumptions used to calculate emissions (kWh)	140,122,220	160,018,643
Scope 1 emissions in metric tonnes CO2e		
Gas Consumption	6,671	8,060
Fleet - Road Vehicles	17,135	18,404
Fleet - Site Vehicles	3,710	4,305
Total Scope 1	**27,516**	**30,769**
Scope 2 emissions in metric tonnes CO2e		
Purchased electricity	6,698	8,426
Scope 3 emissions in metric tonnes CO2e		
Business travel in employee owned vehicles	13	190
Total gross emissions in metric tonnes CO2e	**34,227**	**39,385**
Intensity ratio Tonnes CO2e per £m Turnover	**138**	**134**

Quantification and reporting methodology

We have followed 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

The chosen intensity measurement ratio is the total gross emissions in metric tonnes CO2e per £m Turnover, asset out in Annex F of the 2019 HM Government Environmental Reporting Guidelines.

On behalf of the board

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Thomas J Walsh
Director

Date: 29 July 2021

ENVA TOPCO LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The directors present their Directors' Report and consolidated financial statements of Enva Topco Limited and its subsidiaries for the year ended 31 March 2021.

Principal activities
Enva Topco Limited is the parent company of a group trading as Enva Group, a leading provider of end-to-end waste management solutions in the UK and Ireland.

The Directors are of the opinion that the Group is in the majority owned by Exponent Private Equity Partners GP III, LP, whose registered office address is 50 Lothian Road, Festival Square, Edinburgh, EH3 9WJ.

Results and dividends
The results for the year are set out on page 12. An operating profit pre-exceptional costs of £9.3m was achieved in the year ended 31 March 2021 (2020 - £19.8m) and a loss for the year of £28.4m (2020 - £15.8m loss) with performance in the year discussed further in the Strategic Report on page 1.

No dividends were paid (2020: Nil). The directors do not recommend payment of a final dividend.

Directors
The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr T E Easingwood
Mr J M Gunton
Mr J Moore
Mr M T Tracey
Mr N J Wall
Mr T J Walsh
Mr S A Woods

Political donations
The Group made no political donations or incurred any political expenditure during the current year or prior year.

Employee involvement
The Group has over 1,500 employees (2020 - 1,600 employees) as at 31 March 2021. The Directors recognise that the Group's employees are fundamental to the ongoing success of the business. We seek to develop our employees as illustrated by a policy of promoting from within the organisation wherever possible.

Disabled persons
Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the Group continues and that the appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of disabled persons should, as far as possible, be identicalto that of other employees.

Post reporting date events
There have been no events subsequent to year end impacting upon these financial statements.

Auditor
During the year KPMG LLP resigned as auditor of the company and KPMG were appointed. Pursuant to Section 487(2) of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG will therefore continue in office.

Statement of disclosure to auditor
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the Group's auditor is aware of that information.

Going concern
During the year, the Group entered into transactions with its shareholders which generated additional cash of £25 million through the issue of shares (£0.2m) and shareholder loan notes (£24.8m). This additional cash inflow was used to reduce the Group's bank debt. Furthermore, having reduced its senior debt facilities, the Group entered into new debt covenants with its bank.

Against this backdrop, the directors are confident that having reviewed the Group's outlook, including its profitability, liquidity and financial headroom, the Group has adequate resources and funding to continue in operation and to enable it to pay its debts as they fall due. In addition, the outlook indicates that the relevant banking covenants will continue to be met throughout the forecast period. The directors, therefore, consider it appropriate to adopt the going concern basis in preparing these financial statements.

On behalf of the board

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Thomas J Walsh
Director

Date: 29 July 2021

ENVA TOPCO LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2021

The directors are responsible for preparing the directors' report, strategic report and the Group 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 Group financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and applicable law.

Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and of the Group's profit or loss for that period. In preparing the Group 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 Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Group'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 Group or 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 Companyand enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal controls 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 Group and to prevent and detect fraud and other irregularities.

On behalf of the board

Thomas J Walsh
Director

Date: 29 July 2021

ENVA TOPCO LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ENVA TOPCO LIMITED

Opinion

We have audited the consolidated financial statements of Enva Topco Limited ('the Group') for the year ended 31 March 2021, which comprise the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, the consolidated statement of changes in cash flows and related notes, including the summary of significant accounting policies set out in note 1. The financial reporting framework that has been applied in their preparation is UK Law and international accounting standards in conformity with the requirements of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's affairs as at 31 March 2021 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with ethical requirements that are relevant to our audit of financial statements in the UK, including the Financial Reporting Council (FRC)'s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Conclusions relating to going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or to cease their operations, and as they have concluded that the Group'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 their 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").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Group's business model and analysed how those risks might affect the Group's financial resources or ability to continue operations over the going concern period.

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

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

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

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 Group will continue in operation.

Detecting irregularities including fraud

We identified the areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements and risks of material misstatement due to fraud, using our understanding of the entity's industry, regulatory environment and other external factors and inquiry with the directors. In addition, our risk assessment procedures included: inquiring with the directors as to the Group's policies and procedures regarding compliance with laws and regulations and prevention and detection of fraud; inquiring whether the directors have knowledge of any actual or suspected non-compliance with laws or regulations or alleged fraud; inspecting the Group's regulatory and legal correspondence; and reading Board minutes.

We discussed identified laws and regulations, fraud risk factors and the need to remain alert among the audit team.

The Group is subject to laws and regulations that directly affect the financial statements including companies and financial reporting legislation and taxation legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items, including assessing the financial statement disclosures and agreeing them to supporting documentation when necessary.

The Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety and environmental law.

Auditing standards limit the required audit procedures to identify non-compliance with these non-direct laws and regulations to inquiry of the directors and inspection of regulatory and legal correspondence, if any. Through these procedures, we identified actual or suspected non-compliance and considered the effect as part of our procedures on the related financial statement items.

We assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. As required by auditing standards, we performed procedures to address the risk of management override of controls and the risk of bias in the recognition of revenue.

In response to risk of fraud, we also performed procedures including: identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation; evaluating the business purpose of significant unusual transactions; assessing significant accounting estimates for bias; and assessing the disclosures in the financial statements.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remains a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The directors are responsible for the other information presented in the Annual Report together with the Group financial statements. The other information comprises the information included in the strategic report and the directors' report. The Group financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the Group financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information 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 other information.

Opinions on other matters prescribed by the Companies Act 2006
Based solely on our work on the other information undertaken during the course of the audit:

- we have not identified material misstatements in the directors' report or the strategic report;
- in our opinion, the information given in the directors' report and the strategic report is consistent with the financial statements;
- in our opinion, the directors' report and the strategic report have 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 by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Company 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.

We have nothing to report in these respects.

Respective responsibilities and restrictions on use

Responsibilities of directors for the financial statements
As explained more fully in the directors' responsibilities statement set out on page 7, the directors are responsible for: the preparation of the financial statements including 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 Group'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 Group 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, other irregularities or error, and to issue an opinion in an auditor's report. 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, other irregularities 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.

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

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF ENVA TOPCO LIMITED

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

Dominic Mudge (Senior Statutory Auditor)
for and on behalf of
KPMG Statutory Auditor
The Soloist Building
1 Lanyon Place
BT1 3LP
29 July 2021

ENVA TOPCO LIMITED

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £000	2020 £000
Revenue	4	247,249	292,554
Cost of sales		(202,013)	(240,910)
Gross profit		45,236	51,644
Other operating income		924	1,000
Administrative expenses		(36,843)	(32,808)
Exceptional items	5	(4,873)	(6,622)
Operating profit	6	4,444	13,214
Finance income	10	278	285
Finance costs	11	(34,150)	(29,375)
Loss before taxation		(29,428)	(15,876)
Income tax credit	12	994	110
Loss for the year		(28,434)	(15,766)

The income statement has been prepared on the basis that all operations are continuing operations.

The notes on pages 18 to 59 are an integral part of the consolidated financial statements.

Operating profit reconciles to management's key performance indicator, EBITDA pre exceptionals as follows:

Operating profit	6	4,444	13,214
Exceptional items	5	4,873	6,622
Depreciation, amortisation and profit on disposal	6	32,391	30,894
EBITDA pre-exceptionals		41,708	50,730

ENVA TOPCO LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £000	2020 £000
Loss for the year		(28,434)	(15,766)
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Currency translation differences		(2,043)	1,944
Items that may be reclassified to profit or loss			
Fair value movement on cash flow hedge	**28**	530	84
Tax relating to items that may be reclassified	**28**	(101)	(20)
Total other comprehensive income for the year, net of tax		(1,614)	2,008
Total comprehensive income for the year		(30,048)	(13,758)

The notes on pages 18 to 59 form an integral part of the consolidated financial statements.

ENVA TOPCO LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2021

	Notes	2021 £000	2020 £000
Non-current assets			
Goodwill	13	70,297	70,177
Intangible assets	13	144,449	157,214
Property, plant and equipment	14	128,742	134,368
Deferred tax asset	23	83	184
		343,571	361,943
Current assets			
Inventories	16	6,795	7,335
Trade and other receivables	17	46,032	58,142
Current tax recoverable		1,300	1,445
Cash and cash equivalents		31,046	21,526
		85,173	88,448
Total assets		428,744	450,391
Current liabilities			
Trade and other payables	21	56,351	62,763
Lease liabilities	22	4,056	4,926
Borrowings	18	1,769	1,047
Provisions	24	677	626
		62,853	69,362
Net current assets		22,320	19,086
Non-current liabilities			
Trade and other payables	21	1,882	4,060
Borrowings	18	383,104	364,776
Derivative financial instruments	29	267	461
Deferred tax liabilities	23	18,249	20,046
Long term provisions	24	3,362	3,831
Lease liabilities	22	28,870	27,899
		435,734	421,073
Total liabilities		498,587	490,435
Net liabilities		(69,843)	(40,044)

ENVA TOPCO LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 MARCH 2021

	Notes	2021 £000	2020 £000
Equity			
Called up share capital	**26**	2	2
Share premium account	**27**	1,237	988
Hedging reserve	**28**	(369)	(798)
Translation reserve		(68)	1,975
Retained earnings		(70,645)	(42,211)
Shareholders deficit		(69,843)	(40,044)

The notes on pages 18 to 59 form an integral part of the consolidated financial statements.

The financial statements were approved by the board of directors and authorised for issue on 29 July 2021 and are signed on its behalf by:

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Thomas J Walsh
Director

Company Registration No. 10692707

ENVA TOPCO LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Share capital £000	Share premium account £000	Hedging reserve £000	Translation reserve £000	Retained earnings £000	Total £000
Balance at 1 April 2019		2	988	(862)	31	(26,445)	(26,286)
Year ended 31 March 2020:							
Loss for the year		-	-	-	-	(15,766)	(15,766)
Other comprehensive income:							
Currency translation differences		-	-	-	1,944	-	1,944
Fair value movement on cash flow hedge		-	-	84	-	-	84
Tax relating to other comprehensive income		-	-	(20)	-	-	(20)
Total comprehensive income for the year		-	-	64	1,944	(15,766)	(13,758)
Balances at 31 March 2020 and 1 April 2020		2	988	(798)	1,975	(42,211)	(40,044)
Year ended 31 March 2021:							
Loss for the year		-	-	-	-	(28,434)	(28,434)
Other comprehensive income:							
Currency translation differences		-	-	-	(2,043)	-	(2,043)
Fair value movement on cash flow hedge	**28**	-	-	530	-	-	530
Tax relating to other comprehensive income	**28**	-	-	(101)	-	-	(101)
Total comprehensive income for the year		-	-	429	(2,043)	(28,434)	(30,048)
Transactions with owners of the company							
Issue of share capital	**26 & 27**	-	249	-	-	-	249
Balances at 31 March 2021		2	1,237	(369)	(68)	(70,645)	(69,843)

The notes on pages 18 to 59 form an integral part of the consolidated financial statements.

ENVA TOPCO LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

	Notes		2021		2020
		£000	£000	£000	£000
Cash flows from operating activities					
Cash generated from operations	**35**		27,756		26,828
Tax paid			(848)		(3,534)
Net cash inflow from operating activities			26,908		23,294
Investing activities					
Purchase of subsidiaries net of cash		-		(19,221)	
Purchase of property, plant and equipment		(10,873)		(21,922)	
Proceeds on disposal of PPE		1,965		1,792	
Payment of deferred consideration		(4,000)		-	
Net cash used in investing activities			(12,908)		(39,351)
Financing activities					
Proceeds from issue of shares		249		-	
Issue of unsecured loan notes		24,833		-	
Repayment of borrowings		(26,650)		-	
Drawdown of bank loans		3,200		25,000	
Payment of lease liabilities		(5,686)		(5,093)	
Net cash *(used in)/generated from* financing activities			(4,054)		19,907
Net increase in cash and cash equivalents			9,946		3,850
Cash and cash equivalents at beginning of period			21,526		15,732
Effect of foreign exchange rates			(426)		1,944
Cash and cash equivalents at end of period			31,046		21,526

1 Adoption of new and revised standards and changes in accounting policies

The Group and Company have adopted the following IFRSs in these financial statements:

- Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform has been adopted from 1 April 2020.
- Amendments to IFRS 3: Definition of a Business has been adopted from 1 April 2020.
- Amendments to References to the Conceptual Framework in IFRS Standards.
- Amendments to IAS 1 and IAS 8: Definition of Material.

The adoption of these amendments to IFRSs did not result in material changes to the Group or Parent Company financial statements.

Standards which are in issue but not yet effective

The following Adopted IFRSs have been issued but have not been applied by the Group or Parent Company in these financial statements. Their application is not expected to have a material effect on the financial statements unless otherwise indicated:

- IFRS 17 Insurance Contracts (effective date 1 January 2023)
- Deferred tax related to assets and liabilities arising from a single transaction (effective date 1 January 2023)
- Definition of accounting estimates (effective date 1 January 2023)
- Disclosure of accounting policies (amendments to IAS 1 and IFRS Practice Statement 2) (effective date 1 January 2023)
- Annual improvements to IFRS 2018-2020 (effective date 1 January 2022)
- Onerous contracts - cost of fulfilling a contract (effective date 1 January 2022)
- Property plant and equipment: proceeds before intended use (effective date 1 January 2022)
- Reference to the conceptual framework (effective date 1 January 2022)
- Classification of liabilities as current or non-current (effective date 1 January 2023)
- COVID-19 – related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16) (effective date 1 April 2021)

There has been an IFRIC agenda decision on Hedging Variability in Cash Flows due to Real Interest Rates (IFRS 9) under consideration for a number of months and a decision has recently been sent to the International Accounting Standards Board for its approval. The agenda decision states that IFRIC do not believe that inflation can be identified as a distinct component of the interest cash flows in an instrumentand, therefore, cannot be separated out for cashflow hedging purposes. The impact of the agenda decisionis currently being considered and the Group's methodology for arriving at fair value is being reassessed to identify whether or not there is a more appropriate methodology that should be applied.

2 Accounting policies

Company information
Enva Topco Limited is a private company limited by shares incorporated and domiciled in England and Wales. The registered number is 10692707. The registered office is Brailwood Road, Bilsthorpe, Newark, Nottinghamshire, United Kingdom, NG22 8UA.

Statement of Compliance
International Financial Reporting Standards (IFRS) require an entity whose financial statements comply with IFRS to make an explicit and unreserved statement of such compliance in the notes to the financial statements.

2.1 Basis of Preparation

The consolidated financial statements of Enva Topco Limited have been prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006 ("Adopted IFRS"). The Parent company financial statements are included at the end of the Group financial statements.

The financial statements are prepared in sterling, which is the functional currency of the Group. Monetary amounts in these consolidated financial statements are rounded to the nearest thousand (unless stated otherwise).

The financial statements have been prepared under the historical cost convention, as modified by the measurement at fair value of certain financial assets and liabilities including derivative financial instruments and loans and borrowings and assets acquired from business combinations. The carrying values of recognised assets and liabilities that are hedged are adjusted to record changes in the fair values attributable to the risks that are being hedged.

Basis of Consolidation
The Group financial statements consolidate the financial statement of the Company and all of its subsidiaries. Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The result of subsidiary undertakings acquired or disposed of during the year are included in the Group Income Statement from the date of their acquisition up to the date of their disposal. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group.

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated.

2 Accounting policies **(Continued)**

2.2 Business combinations

Business combinations are accounted for using the acquisition method at the acquisition date, which is the date on which control is transferred to the Group.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value. Acquisition costs are expensed as incurred, other than those associated with the issue of debt.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration will be recognised in theIncome Statement.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognised for the net identifiable assets acquired and liabilities assumed.

2.3 Going concern

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

As at 31 March 2021 the Group had net liabilities of £69.8m, a loss for the year then ended of £28.4m and cash generated from operations of £27.8m.

In November 2020 the Group entered into transactions with its shareholders which have generated additional cash of £25 million through the issue of shares (£0.2m) and shareholder loan notes (£24.8m). This additional cash inflow was used to reduce the Group's bank debt by c. £25m. In the same period, the Group having reduced its senior debt facilities, entered into new debt covenants with its bank.

The directors have prepared cash flow forecasts for the period up to and including March 2024 which indicate that, taking account of reasonably possible downsides and the anticipated impact of COVID-19 onits operations and its financial resources, the company will have sufficient funds, through its cash balances and committed bank and shareholder loan note facilities to meet its liabilities as they fall due for that period. In addition, the forecasts indicate that relevant banking covenants will be met throughout the forecast period.

Consequently, the directors are confident that the group and parent 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.

2 Accounting policies **(Continued)**

2.4 Revenue

Revenue is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, once performance obligations have been fulfilled, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account volume rebates, which are regularly reviewed to ensure they are in line with contractual requirements. The natureof the service provided by the Group means that returns or refunds are extremely limited.

Income from recycling activities within waste management includes amounts based upon market prices for recyclate products and industry schemes for waste electrical and electronic equipment ('WEEE' notes) and packaging volumes ('PRNs') processed.

Sale of Goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Sale of Services

Revenue is recognised upon collection of waste from customer sites or receipt of waste directly into our sites. At this time corresponding accruals for the costs of processing, treating and/or disposing of the waste materials collected or received are created. When contractual services are performed over a period of time revenue is recognised on a straight-line basis to match the underlying contract.

Other operating income

Other operating income represents income arising from land and properties owned by the Group.

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably.

2.5 Goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less impairment losses.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired.If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit andthen to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.An impairment loss recognised for goodwill is not subsequently reversed.

2 Accounting policies **(Continued)**

2.6 Intangible assets other than goodwill

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the assetwill flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Licenses to operate	5-25 years
Customer relationships and contracts	8-9 years
Brand	5-12 years

2.7 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold property	2%-20% on cost (5-50 years)
Fixtures and fittings	10%-33% on cost (3-10 years)
Plant and equipment	20% on reducing balance and 5%-33% on cost (3-20 years)
Motor vehicles	20% on reducing balance and 10%-33% on cost (3-10 years)

Freehold land and assets in the course of construction are not depreciated.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income statement.

2.8 Impairment of tangible and intangible assets

At each reporting end date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

2 Accounting policies **(Continued)**

2.8 Impairment of tangible and intangible assets (continued)

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

An impairment loss in respect of goodwill is not reversed. For other assets, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so thatthe increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.9 Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

2.10 Fair value measurement

A number of the Group's accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities. These are categorised as follows:

- Business combinations
- Financial instruments

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

2.11 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

2 Accounting policies **(Continued)**

2.12 Financial assets

Recognition and initial measurement
Trade receivables are initially recognised when they are originated. All other financial assets arerecognised in the Group's statement of financial position when the Group becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Financial assets are initially measured at fair value plus or minus transaction costs that are directly attributable to its acquisition or issue, other than those classified as fair value through profit and loss (FVTPL), which are measured at fair value. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement
On initial recognition, a financial asset is classified as measured at: amortised cost; Fair value through other comprehensive income (FVOCI) – debt investment; FVOCI – equity investment; or Fair value through profit and loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cashflows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised costor at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Impairment of financial assets
Financial assets, other than those measured at fair value through profit or loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Derecognition of financial assets
Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

2 Accounting policies **(Continued)**

2.13 Financial liabilities

The company recognises financial debt when the company becomes a party to the contractual provisions of the instruments. Financial liabilities are classified as either 'financial liabilities at fair value through profit or loss' or 'other financial liabilities'.

Other financial liabilities

Other financial liabilities, including borrowings, trade payables and other short-term monetary liabilities, are initially measured at fair value net of transaction costs directly attributable to the issuance of the financial liability. They are subsequently measured at amortised cost using the effective interest method. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the Group's obligations are discharged, cancelled, or they expire.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

2.14 Equity instruments

Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Group.

2.15 Derivatives

The Group enters into interest rate swap contracts in order to manage its exposure to interest rate risk.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability. A derivative is presented as a non-current asset or liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are classified as current.

2 Accounting policies (Continued)

2.15 Derivatives (continued)

Cash flow hedges
When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit orloss.

The Group designates only the change in fair value of the spot element of forward exchange contracts as the hedging instrument in cash flow hedging relationships. The change in fair value of the forward elementof forward exchange contracts (forward points) is separately accounted for as a cost of hedging and recognised in a costs of hedging reserve within equity. The amount accumulated in the hedging reserveand the cost of hedging reserve is reclassified to profit or loss in the same period or periods during whichthe hedged expected future cash flows affect profit or loss.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve remains in equity until, for a hedge of a transaction resulting in the recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affectprofit or loss. If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to profit or loss.

2.16 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax and is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or OCI.

Current tax
The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Current tax assets and liabilities are offset only if certain criteria are met.

2 Accounting policies **(Continued)**

2.16 Taxation (continued)

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transactionthat is not a business combination and that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

2.17 Provisions

Environmental Provision

This provision relates to obligations governing site remediation and improvement costs to be incurred in compliance with environmental regulations for a historic landfill site. The majority of the obligations will unwind over a 60-year timeframe from the closure date of the landfill site but the exact timing and amount of ultimate settlement of these provisions is not certain.

Management judgement is involved in evaluating currently available facts based on a broad range of information and prior experience. Inherent uncertainties exist in such evaluations which are outside the management's control primarily due to unknown conditions, changing governmental regulations and legal standards regarding liability together with the protracted nature of these liabilities. The liabilities provided in the financial statements reflect the information available to management at the time of determination of the liability and are reassessed at each reporting date.

Other Provisions

Provisions are recognised when the Group has a legal or constructive present obligation as a result of a past event and it is probable that the Group will be required to settle that obligation, and a reliable estimate canbe made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. The unwinding of the discount is recognised as a finance cost.

2.18 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of inventories or non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2 Accounting policies **(Continued)**

2.19 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as the related service is provided.

2.20 Leases

At inception, the company assesses whether a contract is, or contains, a lease within the scope of IFRS 16. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Where a tangible asset is acquired through a lease, the company recognises a right-of-use asset and a lease liability at the lease commencement date. Right-of-use assets are included within property, plant and equipment, apart from those that meet the definition of investment property.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs and an estimate of the cost of obligations to dismantle, remove, refurbish or restore the underlying asset and the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of other property,plant and equipment. The right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are unpaid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot bereadily determined, the company's incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise fixed payments, variable lease payments that depend on an index or a rate, amounts expected to be payable under a residual value guarantee, and the cost of any options that the company is reasonably certain to exercise, such as the exercise price under a purchase option, lease payments in an optional renewal period, or penalties for early termination of a lease.

The lease liability is remeasured when there is a change in: future lease payments arising from a change in an index or rate; the company's estimate of the amount expected to be payable under a residual value guarantee; or the company's assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right- of- use asset has been reduced to zero.

The company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less, or for leases of low-value assets including IT equipment. The payments associated with these leases are recognised in profit or loss on a straight-line basis over the lease term.

2.21 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gainsand losses arising on translation in the period are included in profit or loss.

2 Accounting policies **(Continued)**

2.21 Foreign exchange (continued)

Group companies

Results and cash flows of subsidiaries which do not have sterling as their functional currency are translated into sterling at average exchange rates for the year. Average exchange rates are a reasonable approximation of the cumulative effect of the rates on the transaction dates. The related balance sheetsare translated at the rates of exchange ruling at the balance sheet date. Adjustment arising on translation of the results of such subsidiaries at average rates, and on the restatement of the opening net assets atclosing rates, are dealt with in a separate translation reserve within equity.

2.22 Exceptional items

The Group has adopted an Income Statement format which seeks to highlight significant items within the Group results for the year. The group believes this format is useful as it highlights one off items, where significant, such as legal & professional fees, restructuring costs upon formation of Enva and subsequent acquisitions, rebranding costs, Covid costs such as testing and extra facilities to allow for social distancing, andstamp duty. Judgement is used by the Group in assessing the particular items, which by virtue of their scale and nature, should be presented in the Consolidated Income Statement and disclosed in the related notes as exceptional items.

2.23 Investment in subsidiary undertakings

In the Company Statement of Financial Position, investments in subsidiary undertakings are recorded at amortised cost less impairment.

2.24 Segmental reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components and for which discrete financial information is available. Segment results that *are reported to the Board (as chief operating decision maker) include items directly attributable to a segment* as well as those which can be allocated on a consistent basis. See note 4 for information on Segmental Reporting.

3 Critical accounting estimates and judgements

In the application of the Group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount 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.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

Trade Receivables (estimate)

Trade receivables are stated in the balance sheet at their nominal value less any appropriate provision for irrecoverable amounts. In determining whether a provision is required against any trade receivable, the Directors are required to make a judgement regarding the overall recoverability of the debtor. In exercising this judgement, consideration is given to both the overall economic environment in which a debtor operates as well as specific indicators that the recovery of the nominal balance may be in doubt. For example, days' sales outstanding in excess of agreed credit terms or other qualitative information in respect of a customer. See Note 20 for further information.

3 Critical accounting estimates and judgements **(Continued)**

Exceptionals (judgement)
The Group has adopted an Income Statement format which seeks to highlight significant items within the Group results for the year. The group believes this format is useful as it highlights one off items, where significant, such legal & professional fees, restructuring costs upon formation of Enva and subsequent acquisitions, rebranding costs, Covid costs such as testing and extra facilities to allow for social distancing, andstamp duty.

Judgement is used by the Group in assessing the particular items, which by virtue of their scale and nature, should be presented in the Consolidated Income Statement and disclosed in the related notes as exceptional items.

Business combinations (estimate and judgement)
Business combinations are accounted for using the acquisition method which requires that the assets and liabilities assumed are recorded at their respective fair values at the date of acquisition. The application of this method requires certain estimates and assumptions particularly concerning the determination of the fair values of the acquired assets and liabilities assumed at the date of acquisition.

For intangible assets acquired, the Group bases valuations on expected future cash flows. This method employs a discounted cash flow analysis using the present value of the estimated after-tax cash flowsexpected to be generated from the purchased intangible asset using risk adjusted discount rates and revenue forecasts as appropriate. The period of expected cash flows is based on the expected useful life of theintangible asset acquired.

Environmental and Remediation Provisions (estimate)
The environmental provision relates to obligations governing site remediation and improvement costs to be incurred in compliance with environmental regulations for a historic landfill site. The majority of the obligations will unwind over a 60 year timeframe from the closure date of the landfill site but the exacttiming and amount of ultimate settlement of these provisions is not certain.

Management judgement and estimation is involved in evaluating currently available facts based on a broad range of information and prior experience. Inherent uncertainties exist in such evaluations which are outside management's control primarily due to unknown conditions, changing governmental regulations and legal standards regarding liability together with the protracted nature of these liabilities. The liabilities provided in the financial statements reflect the information available to management at the time of determination of liability and are reassessed at each reporting date.

Management of sites subject to provision continue to improve in a very satisfactory manner. This operational performance as well as market trends for inflation and the time value of money will continue to be closely monitored and adjustments made in future periods if future reviews indicate that such adjustments are appropriate. Refer to note 24.

3 Critical accounting estimates and judgements (Continued)

Debt modification (estimate and judgement)

During the year, the Group entered into a series of transactions which culminated in the agreement of a new set of financial covenants and the amendment to some of our borrowing terms. Enva have assessed the impact of these amendments and applied the guidance set out in IFRS 9 'Financial Instruments' to determine whether the change is a modification.

As set out in IFRS 9, there are 2 types of modifications: substantial and non-substantial. The accounting and disclosure requirements for both are very different. To determine whether the amendments to our borrowing terms, noted above, are substantial or non-substantial we used the 'Quantitative Test' method. The basis of this method is whether the net present value of the cash flows under the new terms discountedat the original effective interest rate (EIR) is less than 10% different from the carrying amount of the original debt. This is described as the '10% test'.

Our assessment is that the amendments do not result in discounted cash flows which are greater than 10% of the original carrying value of the debt. As such, we have determined that the loan modification is non-substantial. Our key estimate in reaching this conclusion is that we have assumed that the current portfolioof debt will be refinanced before 31st March 2022, which is in line with the Group's intentions.

The accounting and disclosure within these financial statements, with regards to the loan modification, is consistent with IFRS 9 which states that costs or fees incurred are adjusted against the liability and are amortised over the remaining assumed term. Significantly, that the carrying value of our borrowings has been restated based on the net present value of the revised cash flows discounted at the original EIR, with the change in value taken to the income statement (see Note 11 – Finance Costs).

4 Segment Reporting

The Group's Board has been identified as the chief operating decision maker. The Board reviews the Group's internal reporting in order to assess performance and allocate resources. The Board has determined the operating segments based on these reports.

The Board considers the business from a waste material and waste management services performed perspective. This has led to the operating segments identified below. The performance of the operating segments is assessed by reference to their turnover and EBITDA before exceptional items. The operating segments disclosed have been aggregated by the nature of the waste management services, processesand products that they share in addition to similar long-term average gross margins for the operating segments.

In the year ended 31 March 2021, Recycling entities (formerly known as General Waste entities) accounted for £85m (2020 - £108m) of the Group's turnover (net of intersegmental sales) with Specialist Waste turnover £162m (2020 - £185m). The EBITDA pre exceptionals split for this period was circa 80% (2020 - 80%) Specialist Waste, 20% (2020 - 20%) Recycling.

All of the assets and liabilities of the Group are managed by the Board on a group basis rather than at a segmental level. As a result no reconciliation of segment assets and liabilities to the statement of financial position has been disclosed.

Geographical information

The Group operates in the UK and Ireland with some worldwide sales. All of the operations and assets of the Group are based in the UK and Ireland. As the Group is managed on a segmental rather than geographical basis, no further geographical disclosures are provided in this note.

Major customers

No single customer accounted for 10% or more of the Group's revenue in the period presented.

5 Exceptional items

	2021 £000	2020 £000
Legal & Professional	(1,280)	(6,093)
Stamp Duty	-	(107)
Restructuring and Rebranding Costs	(2,401)	(422)
Covid Costs	(1,192)	-
	(4,873)	(6,622)

Legal and professional costs include financial, commercial and legal due diligence on acquisitions as well as funding and structuring services. Restructuring and rebranding costs have been incurred to transform a portfolio of connected waste management businesses into Enva. Covid costs includes testing for employees and extra facilities to allow for social distancing in the workplace.

6 Operating profit

	2021 £000	2020 £000
Operating profit for the year is stated after charging/(crediting):		
Depreciation of property, plant and equipment	18,654	18,021
Profit on disposal of property, plant and equipment	(1,006)	(65)
Amortisation of intangible assets	14,777	12,984
Amortisation of grants	(34)	(46)

7 Auditor's remuneration

	2021 £000	2020 £000
Fees payable to the Group's auditor and associates:		
For audit services		
Audit of the financial statements of the Group	350	290

8 Employees

The average monthly number of persons (including directors) employed by the Group during the year was 1,573 (2020 - 1,591). This is broken down as follows:

	2021 Number	2020 Number
Directors	4	4
Administration	511	503
Operations	1,058	1,084
	1,573	1,591

3 (2020:3) of the directors set out on page 5 are not employed or remunerated by the group and are therefore not included in the numbers above.

Their aggregate remuneration comprised:

	2021 £000	2020 £000
Wages and salaries	46,626	53,708
Social security costs	4,706	5,357
Pension costs	1,887	1,912
	53,219	60,977

In response to the COVID-19 coronavirus pandemic, in March 2020 the UK government introduced a wage subsidy programme for companies that had to shut their operations and furlough staff. Under the programme, an eligible company could apply for the subsidy in an amount of up to 80% of each employee's salary, subject to a monthly maximum of £2,500 per employee, to continue paying monthly salaries to its furloughed employees. The Group's application for the programme was approved in April 2020 and it was entitled to the wage subsidy on a monthly basis conditional on the employees continuing to be on furlough and the Group continuing paying their salary.

Similarly, the Irish government operated the Temporary Covid-19 Wage Subsidy Scheme (TWSS) from March 2020 to August 2020. The TWSS initially refunded employers up to a maximum of €410 per each qualifying employee, regardless of the employee's income. However, new rates were applied to payrolls submitted after 4 May 2020, subject to tiering and tapering rules, dependent on whether an employee previously earned greater than €586 per week.

The Group benefited by £4.7m during the year to 31 March 2021 from both schemes.

9 Directors' remuneration

	2021 £000	2020 £000
Remuneration for qualifying services	926	1,113
Company pension contributions to defined contribution schemes	77	54
	1,003	1,167

9 Directors' remuneration **(Continued)**

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2020 - 1).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2021 £000	2020 £000
Remuneration for qualifying services	378	400

The Group considers key management to be the Directors only.

10 Finance income

	2021 £000	2020 £000
Other interest income	278	285

11 Finance costs

	2021 £000	2020 £000
Interest expense on unsecured loan notes	13,592	11,508
Interest on lease liabilities	948	1,468
Interest on financial liabilities not measured at fair value through profit or loss	23,768	13,044
Total interest expense	38,308	26,020
Unwinding of discount on provisions	14	14
Exchange differences on financing transactions	(4,172)	3,341
	34,150	29,375

The accounting and disclosure within these financial statements, with regards to the loan modification, is consistent with IFRS 9. Interest on financial liabilities not measured at fair value through profit or loss includes adjustments which reflect the non-substantial debt modification (see Note 3 – Critical accounting estimates and judgements - Debt Modification). This includes an adjustment to the carrying value of theloans, accelerated amortisation of pre-modification arrangement fees and the amortisation of additional fees incurred as part of the change to borrowing terms and resulting debt modification. As a result, these charges do not reflect cash interest paid during the year. Underlying cash interest is in line with prior year.

12 Income tax expense

	2021 £000	2020 £000
Current tax		
UK corporation tax on profits for the current period	359	1,829
Adjustments in respect of prior periods	192	(621)
Total UK current tax	551	1,167
Foreign taxes and reliefs	252	764
Total tax charge	803	1,931
Deferred tax		
Origination and reversal of temporary differences	(1,800)	(1,971)
Changes in tax rates	3	25
Adjustment in respect of prior periods	-	(95)
	(1,797)	(2,041)
Total tax credit	(994)	(110)

The tax credit for the year is lower than (2020 - lower than) the standard rate of corporation tax in the UK of 19% (2020: 19%). The credit for the year can be reconciled to the loss per the income statement as follows:

	2021 £000	2020 £000
Loss before taxation	(29,428)	(15,876)
Expected tax credit based on a corporation tax rate of 19.00%	(5,591)	(3,016)
Effect of expenses not deductible in determining taxable profit	3,953	2,448
Income not taxable	(248)	-
Gains not taxable	74	-
Change in unrecognised deferred tax assets	-	926
Adjustment in respect of prior years	192	(621)
Effect of change in UK corporation tax rate	(1)	21
Effect of overseas tax rates	61	(297)
Deferred tax adjustments in respect of prior years	-	(95)
Fixed asset differences	566	524
Taxation credit for the year	(994)	(110)

12 Income tax expense **(Continued)**

In addition to the amount charged to the income statement, the following amounts relating to tax have been recognised directly in other comprehensive income:

	2021 £000	2020 £000
Relating to cash flow hedges	(101)	(20)

An increase in the UK corporation tax rate from 19% to 25% (effective from 1 April 2023) was substantively enacted on 24 May 2021. The UK deferred tax balances as at 31 March 2021 have therefore been calculated based on 19% as appropriate for current and future tax charges.

13 Intangible assets and goodwill

	Goodwill £000	Licenses, Relationship & Brand £000	Total £000
Cost			
At 1 April 2019	61,690	176,705	238,395
Additions	8,487	8,610	17,097
At 31 March 2020	70,177	185,315	255,492
Additions	120	-	120
Transfer from tangible assets	-	2,177	2,177
At 31 March 2021	70,297	187,492	257,789
Amortisation and impairment			
At 1 April 2019	-	15,402	15,402
Charge for the year	-	12,984	12,984
Effect of unwind of discount rate	-	(285)	(285)
At 31 March 2020	-	28,101	28,101
Charge for the year	-	14,777	14,777
Effect of unwind of discount rate	-	(264)	(264)
Transfer from tangible assets	-	429	429
At 31 March 2021	-	43,043	43,043
Carrying amount			
At 31 March 2021	70,297	144,449	214,746
At 31 March 2020	70,177	157,214	227,391
At 31 March 2019	61,690	161,303	222,993

13 Intangible assets and goodwill (Continued)

Intangible assets comprise of licences to operate, customer relationships and brands. These have been capitalised separately from goodwill, which represents the residual element of the purchase price of the Group's acquisitions over the fair value of assets and liabilities acquired. Capitalisation has occurred because the fair value of these intangible assets was measured reliably on initial recognition and it is probable future economic benefits from such assets will flow to the Group.

Impairment tests for cash generating units containing goodwill
Goodwill is allocated to cash generating units as follows:

	2021 £000	2020 £000
Recycling	22,673	22,673
Specialist Waste	47,624	47,504
	70,297	70,177

The recoverable amount of these CGU's was based on value in use estimated using discounted cash flows. The fair value measurement was categorised as level 3 fair value based on the inputs in the valuation technique. The key assumptions applied in the value in use calculation in respect of both CGU's are:

Cash flow projections
Management prepare detailed three year cash flow forecasts derived from the most recent annual financial budget with an adjustment for the terminal value. The projections represent the best estimate of future performance based on past performance and expectations for market developments. The key assumptions include expected changes to demand for products and services, selling prices and direct costs.

Discount rate
A weighted average costs of capital of 8% (2020 - 8%) on a pre-tax basis is used to discount cash flow forecasts, based on the Group's adjusted cost of capital to reflect a market participant's discount rate.

Growth rate
Growth rates of 2% (2020 - 2%) have been used in perpetuity subsequent to the initial three year forecast to represent the expected increase in demand.

From performing this assessment, management are satisfied there is sufficient headroom to conclude the carrying amount of the cash generating units does not exceed their recoverable amount.

Sensitivity analysis as at 31 March 2021, including a reduction in the growth rate to 1% and a change in the pre-tax discount rate from 8% to 12% has indicated that no reasonable, foreseeable change to the key assumptions used in the impairment model will result in a significant impairment charge being recorded in the financial statements.

14 Property, plant and equipment

	Freehold property £000	Assets under construction £000	Fixtures and fittings £000	Plant and equipment £000	Motor vehicles £000	Total £000
Cost						
At 1 April 2019	59,839	637	15,441	103,503	30,851	210,271
Additions	1,175	3,188	6,183	9,524	1,852	21,922
Business combinations	306	-	157	1,858	274	2,595
Disposals	(2,969)	(368)	(275)	(1,197)	(1,519)	(6,328)
Transition to IFRS 16	27,844	-	-	2,490	7,198	37,532
Foreign currency adjustments	399	12	156	546	254	1,367
At 31 March 2020	86,594	3,469	21,662	116,724	38,910	267,359
Additions	1,290	110	3,396	6,112	5,752	16,660
Disposals	(586)	-	(150)	(2,040)	(1,786)	(4,562)
Transfer to intangible assets	-	-	(2,177)	-	-	(2,177)
Foreign currency adjustments	(666)	-	(200)	(1,280)	(362)	(2,508)
At 31 March 2021	86,632	3,579	22,531	119,516	42,514	274,772
Accumulated depreciation and impairment						
At 1 April 2019	12,508	-	10,602	72,861	21,132	117,103
Charge for the year	3,275	-	1,480	8,259	5,007	18,021
Eliminated on disposal	(1,644)	-	(50)	(1,414)	(1,493)	(4,601)
Foreign currency adjustments	82	-	126	602	192	1,002
Business combinations	-	-	101	1,190	175	1,466
At 31 March 2020	14,221	-	12,259	81,498	25,013	132,991
Charge for the year	3,435	-	2,073	8,233	4,913	18,654
Eliminated on disposal	(287)	-	(11)	(1,682)	(1,623)	(3,603)
Transfer to intangible assets	-	-	(429)	-	-	(429)
Foreign currency adjustments	(111)	-	(183)	(999)	(290)	(1,583)
At 31 March 2021	17,258	-	13,709	87,050	28,013	146,030
Carrying amount						
At 31 March 2021	69,374	3,579	8,822	32,466	14,501	128,742
At 31 March 2020	72,373	3,469	9,403	35,226	13,897	134,368
At 31 March 2019	47,331	637	4,839	30,642	9,719	93,168

14 Property, plant and equipment **(Continued)**

Property, plant and equipment includes right-of-use assets, as follows:

Right-of-use assets	**2021**	**2020**
	£000	**£000**
Net values		
Property	24,861	25,900
Plant and equipment	793	1,283
Motor vehicles	6,409	4,523
	32,063	31,706
Depreciation charge for the year		
Property	2,032	1,944
Plant and equipment	1,259	1,207
Motor vehicles	2,731	2,675
	6,022	5,826

15 Subsidiaries

Details of the Group's material subsidiaries at 31 March 2021 are as follows:

Name of undertaking	Country of incorporation	Ownership interest (%)	Voting power held (%)	Nature of business
Enva Midco Limited	Brailwood Road, Bilsthorpe Industrial Estate, Newark, Nottingham, United Kingdom, NG22 8UA	100	100	Holding
Enva Debtco Limited	Brailwood Road, Bilsthorpe Industrial Estate, Newark, Nottingham, United Kingdom, NG22 8UA	100	100	Holding
Enva UK Bidco Limited	Brailwood Road, Bilsthorpe Industrial Estate, Newark, Nottingham, United Kingdom, NG22 8UA	100	100	Holding
Enva Finco Limited	Brailwood Road, Bilsthorpe Industrial Estate, Newark, Nottingham, United Kingdom, NG22 8UA	100	100	Holding
Enva UK Opco Limited	Clonminam Industrial Estate, Portlaoise, County Laois, R32 XD95, ROI	100	100	Holding

15 Subsidiaries **(Continued)**

Name of undertaking	Country of incorporation	Ownership interest (%)	Voting power held (%)	Nature of business
Enva Irish Bidco Limited	Clonminam Industrial Estate, Portlaoise, County Laois, R32 XD95, ROI	100	100	Holding
Enva Irish Opco Limited	Clonminam Industrial Estate, Portlaoise, County Laois, R32 XD95, ROI	100	100	Holding
Enva Scotland Limited	49 Burnbrae Road, Linwood Industrial Estate, Linwood, Paisley, United Kingdom, PA3 3BD	100	100	Waste collection and recycling
Enva Timber Recycling Limited	49 Burnbrae Road, Linwood Industrial Estate, Linwood, Paisley, United Kingdom, PA3 3BD	100	100	Waste wood recycling
Enva Resource Management Limited	49 Burnbrae Road, Linwood Industrial Estate, Linwood, Paisley, United Kingdom, PA3 3BD	100	100	Waste management services
Enva England Specialist Waste Limited	Brailwood Road, Bilsthorpe Industrial Estate, Newark, Nottingham, United Kingdom, NG22 8UA	100	100	Treatment and disposal of hazardous waste
Digit Resource Management Holdings Limited	49 Burnbrae Road, Linwood Industrial Estate, Linwood, Paisley, United Kingdom, PA3 3BD	100	100	Holding
Enva England Limited	Enviro Building Private Road, No 4 Colwick Industrial Estate, Colwick Nottingham, Nottinghamshire, N	100	100	Waste collection and recycling
Realpower Limited	Enviro Building Private Road, No 4 Colwick Industrial Estate, Colwick Nottingham, Nottinghamshire, N	100	100	Holding

15 Subsidiaries **(Continued)**

Name of undertaking	Country of incorporation	Ownership interest (%)	Voting power held (%)	Nature of business
Enva Plastics Limited	Brailwood Road, Bilsthorpe Industrial Estate, Newark, Nottingham, United Kingdom, NG22 8UA	100	100	Recovery of sortedmaterials
Enva Organics Recycling Limited	49 Burnbrae Road, Linwood Industrial Estate, Linwood, Paisley, United Kingdom, PA3 3BD	100	100	Treatment and disposal of non-hazardous waste
GP Properties (Scotland) Limited	49 Burnbrae Road, Linwood Industrial Estate, Linwood, Paisley, United Kingdom, PA3 3BD	100	100	Holding
GI Hadfield Holdings Limited	Brailwood Road, Bilsthorpe Industrial Estate, Newark, Nottingham, United Kingdom, NG22 8UA	100	100	Holding
Enva Wood Recycling Middlesborough Limited	Brailwood Road, Bilsthorpe Industrial Estate, Newark, Nottingham, United Kingdom, NG22 8UA	100	100	Recovery of sorted materials
Enva Wood Recycling Manchester Limited	Brailwood Road, Bilsthorpe Industrial Estate, Newark, Nottingham, United Kingdom, NG22 8UA	100	100	Recovery of sorted materials
Enva Wood Recycling Tilbury Limited	Brailwood Road, Bilsthorpe Industrial Estate, Newark, Nottingham, United Kingdom, NG22 8UA	100	100	Recovery of sorted materials
Enva Northern Ireland Limited	1 Cloonagh Road, Downpatrick, County Down, BT30 6LJ	100	100	Treatment and disposal of hazardous waste
Bio-Industries Limited	Unit 66D, Heather road, Sandyford Business Park, Dublin	100	100	Waste management services
Enva Ireland Limited	Clonminam Industrial Estate, Portlaoise, County Laois, R32 XD95, ROI	100	100	Waste management services

15 Subsidiaries **(Continued)**

Name of undertaking	Country of incorporation	Ownership interest (%)	Voting power held (%)	Nature of business
Shannon Environmental Holdings Limited	Clonminam Industrial Estate, Portlaoise, County Laois, R32 XD95, ROI	100	100	Holding
Enva Organics Limited	Clonminam Industrial Estate, Portlaoise, County Laois, R32 XD95, ROI	100	100	Waste management services
Enva UK Limited	Brailwood Road, Bilsthorpe Industrial Estate, Newark, Nottingham, United Kingdom, NG22 8UA	100	100	Water collection, treatment and supply
Greenogue Investment Limited	Clonminam Industrial Estate, Portlaoise, County Laois, R32 XD95, ROI	100	100	Waste management services
Rilta Environmental Limited	Clonminam Industrial Estate, Portlaoise, County Laois, R32 XD95, ROI	100	100	Waste management services
Enva Toomebridge	Brailwood Road, Bilsthorpe Industrial Estate, Newark, Nottingham, United Kingdom, NG22 8UA	100	100	Recovery of sortedmaterials
ARO Holdco Limited	Brailwood Road, Bilsthorpe Industrial Estate, Newark, Nottingham, United Kingdom, NG22 8UA	100	100	Holding
Associated Reclaimed Oils Limited	Brailwood Road, Bilsthorpe Industrial Estate, Newark, Nottingham, United Kingdom, NG22 8UA	100	100	Treatment and disposal of hazardous waste
All-Brite (Northern Ireland) Limited	1 Cloonagh Road, Downpatrick, Down, Northern Ireland, BT30 6LJ	100	100	Treatment and disposal of hazardous waste
Serius Group Limited	Brailwood Road, Bilsthorpe Industrial Estate, Newark, Nottingham, United Kingdom, NG22 8UA	100	100	Holding

15 Subsidiaries **(Continued)**

Name of undertaking	Country of incorporation	Ownership interest (%)	Voting power held (%)	Nature of business
S.A.R. Recycling Limited	Brailwood Road, Bilsthorpe Industrial Estate, Newark, Nottingham, United Kingdom, NG22 8UA	100	100	Treatment and disposal of hazardous waste
Recyclenet Limited	Brailwood Road, Bilsthorpe Industrial Estate, Newark, Nottingham, United Kingdom, NG22 8UA	100	100	Treatment and disposal of hazardous waste

Investments in subsidiaries are accounted for using the acquisition method which requires that the assets and liabilities assumed are recorded at their respective fair values at the date of acquisition.

16 Inventories

	2021 £000	2020 £000
Raw materials	4,272	5,036
Finished goods	2,523	2,299
	6,795	7,335

In 2021, inventories of £21.2m (2020: £19.2m) were recognised as an expense during the year and included in 'cost of sales'.

In addition, inventories have been reduced by £87k (2020: £3k) as a result of the write-down to net realisable value. This write-down was recognised as an expense during 2021. The write-downs and reversals are included in 'cost of sales'

17 Trade and other receivables

	2021 £000	2020 £000
Trade receivables	40,429	50,415
Prepayments and accrued income	5,603	7,727
	46,032	58,142

Trade and other receivables are held at cost and any fair value difference is not material.

Trade receivables are stated net of provision of £1.1m (2020: £1.2m).

18 Borrowings

	2021 £000	2020 £000
Borrowings at amortised cost		
Bank loans	220,137	239,350
Unsecured loan notes	164,736	126,473
	384,873	365,823

18 Borrowings (Continued)

Analysis of borrowings

Borrowings are classified based on the amounts that are contracted to be settled within the next 12 months and after more than 12 months from the reporting date, as follows:

	2021 £000	2020 £000
Current liabilities	1,769	1,047
Non-current liabilities	383,104	364,776
	384,873	365,823

a) Borrowings by facility

	Expiration Date	2021 £000	2020 £000
GBP Term Loan	30/05/2024	98,541	105,000
EUR Term Loan	20/05/2024	23,078	25,773
Acquisition Facility	30/05/2023	15,418	20,000
Accordion Facility	30/05/2024	78,894	85,048
Revolving Credit Facility	30/05/2023	6,424	7,500
Arrangement Fees		(2,231)	(3,972)
Total banking facilities		220,124	239,349
Unsecured Loan Notes	31/12/2027	142,143	117,443
Accrued Interest on Unsecured Loan Notes	31/12/2027	22,606	9,031
Total other borrowing facilities		164,749	126,474
Total borrowings per Statement of Financial Position		**384,873**	**365,823**

Interest is charged on GBP loans at LIBOR plus margin and Euro loans at the higher of Euro LIBOR and zero, plus margin.

The external borrowings are secured against the group's assets.

18 Borrowings **(Continued)**

b) Maturity of borrowings

2021	**Within one year £000**	**2-5 years £000**	**> 5 years £000**	**Total £000**
Term Loans	-	121,619	-	121,619
Acquisition Facility	4,000	11,418	-	15,418
Accordion Facility	-	78,894	-	78,894
Revolving Credit Facility	-	6,424	-	6,424
Arrangement Fees	(2,231)	-	-	(2,231)
Bank funding	1,769	218,355	-	220,124
Unsecured loan notes	-	-	164,749	164,749
Total borrowings	1,769	218,355	164,749	384,873

2020	**Within one year £000**	**2-5 years £000**	**> 5 years £000**	**Total £000**
Term Loans	-	130,773	-	130,773
Acquisition Facility	2,000	18,000	-	20,000
Accordion Facility	-	85,048	-	85,048
Revolving Credit Facility	-	7,500	-	7,500
Arrangement Fees	(953)	(3,019)	-	(3,972)
Bank funding	1,047	238,302	-	239,349
Unsecured loan notes	-	-	126,474	126,474
Total borrowings	1,047	238,302	126,474	365,823

Due to the impact of Covid-19, covenant tests were suspended for a period during the year. The amount of bank loans of £220.1m (2020 - £239.3m) is presented net of £2.2m (2020 - £4.0m) of arrangement fees. In linewith the guidance set out in IFRS 9, these amounts include adjustments which reflect the non- substantialdebt modification (see Note 3 – Critical accounting estimates and judgements - Debt Modification).

Bank loans include an adjustment to the carrying value of the loans which reflect the discounted future cash flows under the new borrowing terms. Arrangement fees include the pre-modification arrangement fees, and additional fees incurred as part of the debt modification which are amortised over the assumed remaining life of the loans. As stated in Note 3, we have assumed that the current portfolio of debt will be refinanced before 31st March 2022, which is in line with the Group's intentions.

19 Fair value of financial assets and liabilities

The directors consider that the carrying amounts of financial assets and liabilities carried at amortised cost in the financial statements approximate to their fair values.

20 Risk management

Risk management
The key risks identified by the management of Enva Topco Limited are as follows:

Foreign exchange risk
The Group's activities expose it to the financial risks of changes in foreign currency exchange rates. Having operations across the UK and Ireland provides a natural hedge to sterling and euro fluctuations. As such, the Group does not deem it necessary to enter into foreign exchange hedging arrangements.

The carrying amounts of the Group's foreign currency denominated monetary assets and liabilities at the reporting date are as follows:

	Assets		Liabilites	
	2021	2020	2021	2020
	£000	£000	£000	£000
Sterling	48,697	50,234	332,314	335,682
Euro	21,973	20,678	73,696	84,889
Other	247	18	5	-
	70,917	70,930	406,015	420,571

Interest rate risk
The Group's interest rate risk arises from long-term borrowings. The Group's policy is to hedge 80% of its core (long term loan) borrowings. This is discussed further in Note 29, Derivative Financial Instruments.

20 Risk management **(Continued)**

Credit risk
The Group's principal financial assets are bank balances, cash and trade and other debtors.

The Group's credit risk is primarily attributable to its trade debtors. Before trading with a new customer, the Group will consider their background and credit history. Once trading commences, utilisation of credit limitsis regularly monitored. A significant element of our receivables are also covered by credit insurance.

The amounts presented in the statement of financial position are net of provisions for doubtful debts. A provision for impairment is made where there is an expectation of a loss event which, based on previous experience, is evidence of a reduction in the recoverability of future cash flows. The Group receivables outstanding are unsecured and will be settled in cash. No guarantees have been given or received. The average credit terms offered to clients are between 30 and 60 days.

A detailed impairment review of the receivables ledger takes place on a regular basis with account management and credit control teams, with the frequency increased in response to the COVID-19 pandemic. This, in conjunction with credit insurance policies held, means the directors are satisfied that the credit risk of receivables has been adequately provided for. As such, the overall carrying amount of tradeand other receivables is approximately equal to their fair value.

Liquidity risk
Liquidity risk is the risk that suitable sources of funding may not be available for the Group's business activities. As discussed in Note 18 - Borrowings, the Group has access to a comprehensive range of financing facilities including term loans, acquisition and revolving credit facilities.

The Group's liquidity is managed centrally with cash balances monitored on a daily basis. At least on a weekly basis, cash levels across the group are further considered by building up a forecast of expected cash inflows and outflows at a detailed entity level. These are then consolidated to give oversight of the Group's cash position for a rolling thirteen week period. Surplus cash is repatriated as necessary to facilitate demands across the Group.

Longer range cash projections are reported in the monthly management accounts, quarterly covenant compliance calculations and annual budgets. This ensures the Group has sufficient cash to meet its liabilities as they fall due and allows recommendations to be made to the Board in respect of utilisation of the Revolving Credit Facility.

The following table details the remaining contractual maturity for the company's financial liabilities with agreed repayment periods. The contractual maturity is based on the earliest date on which the company may be required to pay.

20 Risk management **(Continued)**

Liquidity risk (continued)

2021				**Contractual cashflows**			
	Carrying amount	**Total £'000**	**<6 months £'000**	**6 - 12 months £'000**	**1 - 2 years £'000**	**2 - 5 years £'000**	**More than 5 years £'000**
Non-derivative financial liabilities							
Contingent consideration	(2,307)	(2,776)	(612)	(187)	(373)	(948)	(656)
Environmental and other provisions	(4,039)	(7,461)	(632)	(85)	(170)	(692)	(5,882)
Bank loans	(220,124)	(265,842)	(8,163)	(8,108)	(17,998)	(231,573)	-
Unsecured loan notes	(164,749)	(313,753)	-	-	-	-	(313,753)
Lease liabilities	(32,926)	(43,162)	(2,883)	(2,883)	(5,765)	(11,842)	(19,789)
Trade and other payables	(32,072)	(32,072)	(32,072)	-	-	-	-
Non-derivative financial assets							
Cash and cash equivalents	31,046	31,046	31,046	-	-	-	-
Trade and other receivables	40,429	40,429	40,429	-	-	-	-
	(384,742)	(593,591)	27,113	(11,263)	(24,306)	(245,055)	(340,080)
Derivative financial liabilities							
Interest rate swaps used for heading	(267)	(267)	-	-	-	(267)	-

2020				**Contractual cashflows**			
	Carrying amount	**Total £'000**	**<6 months £'000**	**6 - 12 months £'000**	**1 - 2 years £'000**	**2 - 5 years £'000**	**More than 5 years £'000**
Non-derivative financial liabilities							
Contingent consideration	(8,057)	(8,723)	(4,185)	(191)	(2,190)	(1,145)	(1,012)
Environmental and other provisions	(4,457)	(7,507)	(1,032)	(88)	(170)	(478)	(5,739)
Bank loans	(239,349)	(297,346)	(6,627)	(8,601)	(17,046)	(265,072)	-
Unsecured loan notes	(126,474)	(264,947)	-	-	-	-	(264,947)
Lease liabilities	(32,825)	(41,766)	(3,034)	(3,034)	(6,067)	(6,513)	(23,118)
Trade and other payables	(29,349)	(29,349)	(29,349)	-	-	-	-
Non-derivative financial assets							
Cash and cash equivalents	21,526	21,526	21,526	-	-	-	-
Trade and other receivables	50,415	50,415	50,415	-	-	-	-
	(368,570)	(577,697)	27,714	(11,914)	(25,473)	(273,208)	(294,816)
Derivative financial liabilities							
Interest rate swaps used for hedging	(461)	(461)	-	-	-	(461)	-

20 Risk management **(Continued)**

Capital risk

The Group defines "capital" as being net debt plus equity.

The Group's objective when managing capital is to maintain an appropriate capital structure to balance the needs of the Group. The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group has a number of options available to it including modifying dividends payments to shareholders or issuing new shares.

The Group is not subject to any externally imposed capital requirements.

21 *Trade and other payables*

	Current		Non-current	
	2021	2020	2021	2020
	£000	£000	£000	£000
Trade payables	24,065	26,766	-	
Accruals	23,854	29,417	-	
Social security and other taxation	7,620	1,927	-	
Other payables	812	4,653	1,882	4,060
	56,351	62,763	1,882	4,060

The Group and its subsidiaries availed of both the UK and Irish government's scheme of deferring various tax payments falling due between 20 March and 30 June 2020.

22 Lease liabilities

Maturity analysis	2021 £000	2020 £000
Within one year	5,765	6,067
In two to five years	17,607	12,580
In over five years	19,789	23,118
Total undiscounted liabilities	43,161	41,765
Future finance charges and other adjustments	(10,235)	(8,940)
Lease liabilities in the financial statements	32,926	32,825

Interest of £0.9m (2020: £1.5m) and depreciation of £5.7m (2020: £5.8m) has been charged to the Income Statement in respect of IFRS 16 right of use assets and lease liabilities.

	2021 £000	2020 £000
Current liabilities	4,056	4,926
Non-current liabilities	28,870	27,899
	32,926	32,825

23 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the Group and movements thereon during the current and prior reporting period.

	Timing differences	Intangible assets	Financial Instruments	Total
	£000	£000	£000	£000
Deferred tax liabilitiy at 1 April 2019	(665)	(20,322)	-	(20,987)
Deferred tax asset at 1 April 2019	-	-	146	146
Deferred tax movements in prior year				
Deferred tax charged in the income statement for the period	104	1,919	18	2,041
Deferred tax relating to other comprehensive income	-	-	20	20
Deferred tax provision acquired from business combinations	7	(1,089)	-	(1,082)
Deferred tax liability at 31 March 2020	(554)	(19,492)	-	(20,046)
Deferred tax asset at 31 March 2020	-	-	184	184
Deferred tax movements in current year				
Deferred tax credit in the income statement for the period	(481)	2,278	-	1,797
Deferred tax relating to other comprehensive income	-	-	(101)	(101)
Deferred tax liability at 31 March 2021	(1,035)	(17,214)	-	(18,249)
Deferred tax asset at 31 March 2021	-	-	83	83

Deferred tax assets and liabilities are offset where the Group has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	2021	2020
	£000	£000
Deferred tax liabilities	(18,249)	(20,046)
Deferred tax assets	83	184
	(18,166)	(19,862)

24 Provisions for liabilities

	2021 £000	2020 £000
Environmental provision	3,492	3,513
Other provisions	547	944
	4,039	4,457

Analysis of provisions

Provisions are classified based on the amounts that are expected to be settled within the next 12 months and after more than 12 months from the reporting date, as follows:

	2021 £000	2020 £000
Current liabilities	677	626
Non-current liabilities	3,362	3,831
	4,039	4,457

Movements on provisions:	Environmental provision £000	Other provisions £000	Total £000
At 1 April 2020	3,513	944	4,457
Utilisation of provision	(35)	(397)	(432)
Unwinding of discount	14	-	14
At 31 March 2021	3,492	547	4,039

25 Retirement benefit schemes

Defined contribution schemes

The Group operates defined contribution pension schemes for all qualifying employees. The assets of the schemes are held separately from those of the Group in independently administered funds.

The total costs charged to the income statement in respect of defined contribution plans is £1,887k (2020 - £1,912k) as disclosed in note 8.

26 Share capital

		2021 £	2020 £
Ordinary share capital			
Issued and fully paid			
829,862 Ordinary A of 0.01p each	(2020: 663,726 Ordinary A of 0.01p each)	83	66
201,948 Ordinary B1 of 0.01p each	(2020: 161,677 Ordinary B1 of 0.01p each)	20	16
3,588 Ordinary B2 of 0.01p each	(2020: 3,262 Ordinary B2 of 0.01p each)	1	1
40,000 Ordinary C1 of 1p each	(2020: 40,000 Ordinary C1 of 1p each)	400	400
164,282 Ordinary C2 of 1p each	(2020: 121,500 Ordinary C2 of 1p each)	1,643	1,215
		2,147	1,698

The company issued new shares during the year as part of the revised banking arrangement. This resulted in an increase in share premium (note 27).

The various classes of ordinary shares are irredeemable, rank equally on winding up and carry equal dividend rights.

The A and B1 class of ordinary shares carry 80% of the voting rights apportioned among each holder of the A and B1 ordinary shares and the C1 class of ordinary shares carry 20% of the voting rights apportioned among each holder of the C1 class of ordinary shares.

No other class of ordinary shares carry voting rights.

27 Share premium account

	2021 £000	2020 £000
At the beginning of the year	988	988
Issue of new shares	249	-
At the end of the year	1,237	988

The company issued new shares during the year as part of the revised banking arrangement (note 26), resulting in an increase in share premium.

28 Hedging reserve

	2021 £000	2020 £000
At beginning of year	(798)	(862)
Fair value movements on cash flow hedges	530	84
Deferred tax related to gains and losses transferred to income	(101)	(20)
At end of year	(369)	(798)

29 Derivative financial instruments

Derivatives are financial instruments that derive their values from the price of underlying items such as interest rates, foreign exchange rates, commodities or other indices. This note details the derivative financial instruments used by the Group to hedge certain risk exposures arising from operational, financial and investment activities. These derivatives are held at fair value.

	2021	2020
	£000	£000
Non-current liability		
Interest rate swaps - cash flow hedges	(267)	(461)

Interest rate swaps
The Group has four interest rate swaps on its Sterling and Euro bank debt. This qualifies for hedge designation as a cash flow hedge under IFRS 9 and has resulted in the recognition of a derivative liability at 31 March 2021 of £267k (2020 - derivative liability £461k).

As at March 2021, the notional principal amounts of the outstanding interest rate swap contracts were as follows:

	2021	2020
	£000	£000
Interest rate swap (GBP)	119,200	119,200

	2021	2020
	€000	€000
Interest rate swap (EURO)	62,400	62,400

The fixed interest rates on the two initial interest rate swaps were 1.25% based on sterling LIBOR and 0.5% based on EURIBOR. *On the new swaps entered into in 2020, fixed interest rates were* 0.3% (Sterling) and 0% (Euro) respectively. The full fair value of the interest rate swap derivative is classified as a non-current liability at 31 March 2021 as the remaining maturity of the hedged item is more than twelve months.

At the end of each quarterly interest period, the derivative asset or liability is measured at the present value of future cash flows estimated and discounted based on the applicable and observable yield curves. This fair value measurement resulted in a gain of £0.5m in the year (2020 - gain of £0.1m) which has been recognised in the statement of other comprehensive income. The fair value measurements are classified as Level 2 in the fair value hierarchy as defined by IFRS 'Fair Value Measurement', as the inputs are observable for the asset or liabilityeither directly (as prices) or indirectly (derived from prices).

29 Derivative financial instruments (Continued)

	Level 1	Level 2	Level 3
Financial liabilities			
Derivative financial instruments	-	(267)	-

The measurement basis has not changed from the prior year.

The Group has adopted the following fair value measurement hierarchy in relation to its financial assets and financial liabilities that are carried in the Balance Sheet at fair value as at the year end:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

- Level 2: 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); and

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

30 Contingent liabilities

The Group has been notified that a protective claim has been issued but not been lodged for calling against the Company. The claim relates to operations undertaken in the normal course of business prior to those operations being acquired by the Group. The directors are confident that all obligations were met and all relevant legislation complied with. As such the Group is disputing the claims and the directors do not reasonably expect a liability to crystallise. On that basis the directors have not made a provision for the claims received. Due to the relative infancy of the Claim it is not possible to quantify any potential exposure. The directors are also confident that any potential liability to the Enva Group would be offset by indemnities and/or warranties under sale and purchase agreements.

31 Capital commitments

	2021 £000	2020 £000
At 31 March 2021 the Group had capital commitments as follows:		
Contracted for but not provided in the financial statements:		
Acquisition of property, plant and equipment	2,942	2,961

32 Related party transactions

	2021 £000	2020 £000
Exponent Private Equity Partners GP III LP (Intermediate parent) - Directors fees and expenses during the period	32	155
Michael Tracey Private Pension Fund (Non Executive Director and shareholder) - Rental of operating site	37	35
Tracey Investments Limited (Non Executive Director and shareholder) - Rental of operating site	252	240
	321	430

Amounts due to related parties	2021 £000	2020 £000
Exponent Private Equity Partners GP III, LP	-	42
Michael Tracey Private Pension Fund - Rental of operating site	-	3
	-	45

33 Immediate parent and controlling party

The immediate parent company is Exponent Private Equity Partners III (SPV), LP, whose registered office is 50 Lothian Road, Festival Square, Edinburgh, EH3 9WJ.

The ultimate parent is Exponent Private Equity GP of GP III LLP and the directors consider there to be no ultimate controlling party.

34 Post reporting date events

There have been no events subsequent to year end impacting upon these financial statements.

35 Cash generated by operations

	2021 £000	2020 £000
Loss for the year after tax	(28,434)	(15,766)
Adjustments for:		
Taxation credited	(994)	(110)
Net finance costs	17,554	11,461
Investment income	(278)	(285)
Gain on disposal of property, plant and equipment	(1,006)	(65)
Amortisation and impairment of intangible assets	14,777	12,984
Depreciation and impairment of property, plant and equipment	18,654	18,021
(Decrease) in provisions	(418)	(239)
Movements in working capital:		
(Increase)/decrease in inventories	540	(1,400)
(Increase)/decrease in trade and other receivables	12,110	(4,731)
Increase/(decrease) in trade and other payables	(4,749)	6,958
Cash generated by operations	27,756	26,828

36 Reconciliation of net cash flow to movement in net debt

	2021 £'000	2020 £'000
Net increase in cash and cash equivalents	9,946	3,850
Net increase in lease liabilities	(101)	(32,391)
Net decrease/(increase) in bank loans	19,225	(27,847)
Net increase in unsecured loan notes	(38,275)	(11,390)
Effect of foreign exchange rates	(426)	1,944
Movement in net debt in the period	(9,631)	(65,834)
Net debt at beginning of period	(377,122)	(311,288)
Net debt at end of period	(386,753)	(377,122)
Analysis of net debt		
Cash and cash equivalents	31,046	21,526
Lease liabilities	(32,926)	(32,825)
Bank loans	(220,124)	(239,349)
Unsecured loan notes	(164,749)	(126,474)
	(386,753)	(377,122)

36 Reconciliation of net cash flow to movement in net debt (Continued)

Changes in liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cashflows were, or future cash flows will be, classified in the Group's consolidated cash flow statement as cash flows from financing activities.

	As at 31 March 2020	Financing cash flows	New leases	Other changes	At 31 March 2021
	£'000	£'000	£'000	£'000	£'000
Lease liabilities	(32,825)	5,686	(5,787)	-	(32,926)
Bank loans	(239,349)	23,450	-	(4,225)	(220,124)
Unsecured loan notes	(126,474)	(24,833)	-	(13,442)	(164,749)
	(398,648)	4,303	(5,787)	(17,667)	(417,799)

	As at 31 March 2019	Financing cash flows	New leases	Other changes	At 31 March 2020
	£'000	£'000	£'000	£'000	£'000
Lease liabilities	(434)	5,093	(37,484)	-	(32,825)
Bank loans	(211,502)	(25,000)	-	(2,847)	(239,349)
Unsecured loan notes	(115,084)	-	-	(11,390)	(126,474)
	(327,020)	(19,907)	(37,484)	(14,237)	(398,648)

ENVA TOPCO LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2021

The directors are responsible for preparing the directors' report, strategic 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 international accounting standards in conformity with the requirements of the Companies Act 2006 and applicable law.

Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the 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 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 theCompany and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal controls 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.

On behalf of the board

Thomas J Walsh
Director

Date: 29 July 2021

ENVA TOPCO LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ENVA TOPCO LIMITED

Opinion

We have audited the financial statements of Enva Topco Limited ('the Company') for the year ended 31 March 2021, which comprise the company income statement, the company statement of financial position, the company statement of changes in equity, the company statement of changes in cashflows and related notes, including the summary of significant accounting policies set out in note 1. The financial reporting framework that has been applied in their preparation is UK Law and international accounting standards in conformity with the requirements of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the Company's affairs as at 31 March 2021 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of financial statements in the UK, including the Financial Reporting Council (FRC)'s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Conclusions relating to going concern

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").

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.

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

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

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

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.

Detecting irregularities including fraud
We identified the areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements and risks of material misstatement due to fraud, using our understanding of the entity's industry, regulatory environment and other external factors and inquiry with the directors. In addition, our risk assessment procedures included: inquiring with the directors as to the Company's policies and procedures regarding compliance with laws and regulations and prevention and detection of fraud; inquiring whether the directors have knowledge of any actual or suspected non-compliance with laws or regulations or alleged fraud; inspecting the Company's regulatory and legal correspondence; and reading Board minutes.

We discussed identified laws and regulations, fraud risk factors and the need to remain alert among the audit team.

The Company is subject to laws and regulations that directly affect the financial statements including companies and financial reporting legislation and taxation legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items, including assessing the financial statement disclosures and agreeing them to supporting documentation when necessary.

The Company, is not subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements.

Auditing standards limit the required audit procedures to identify non-compliance with these non-direct laws and regulations to inquiry of the directors and inspection of regulatory and legal correspondence, if any. These limited procedures did not identify actual or suspected non-compliance.

We assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. As required by auditing standards, we performed procedures to address the risk of management override of controls. On this audit we do not believe there is a fraud risk related to revenue recognition. We did not identify any additional fraud risks.

In response to risk of fraud, we also performed procedures including: identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation; evaluating the business purpose of significant unusual transactions; assessing significant accounting estimates for bias; and assessing the disclosures in the financial statements.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remains a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Other information
The directors are responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the strategic report and the directors' report. Our separate report on the Group consolidated financial statements included within the annual report is on pages 8-11. The Company financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the Company financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information 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 other information.

Opinions on other matters prescribed by the Companies Act 2006
Based solely on our work on the other information undertaken during the course of the audit:

- we have not identified material misstatements in the directors' report or the strategic report;
- in our opinion, the information given in the directors' report and the strategic report is consistent with the financial statements;
- in our opinion, the directors' report and the strategic report have 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.

Respective responsibilities and restrictions on use

Responsibilities of directors for the financial statements
As explained more fully in their statement set out on page 60, 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 for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are freefrom 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
Our 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.

Dominic Mudge (Senior Statutory Auditor)
for and on behalf of
KPMG Statutory Auditor
The Soloist Building
1 Lanyon Place
BT1 3LP
29 July 2021

ENVA TOPCO LIMITED

COMPANY INCOME STATEMENT

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	2020 £
Investment revenues		2,446	2,224
Profit before taxation		2,446	2,224
Income tax expense		-	-
Profit and total comprehensive income for the year		2,446	2,224

The company had no recognised gains or losses other than those included in the results above, therefore no separate statement of comprehensive income has been presented.

The income statement has been prepared on the basis that all operations are continuing operations.

See notes on pages 69 -70.

ENVA TOPCO LIMITED

COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2021

	Notes	2021 £	2020 £
Fixed assets			
Investments	2	970,000	970,000
Current assets			
Trade and other receivables	3	276,101	35,316
Total assets		1,246,101	1,005,316
Creditors: amounts falling due within one year			
Creditors	4	-	10,851
Net current assets		276,101	24,465
Total liabilities		-	10,851
Net assets		1,246,101	994,465
Capital and reserves			
Called up share capital	5	2,147	1,698
Share premium account	6	1,237,208	988,467
Profit and loss reserves		6,746	4,300
Total equity		1,246,101	994,465

See notes on pages 69 to 70.

The financial statements were approved by the board of directors and authorised for issue on 29th July 2021 and are signed on its behalf by:

....

Thomas J Walsh
Director

Company Registration No. 10692707

ENVA TOPCO LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Share capital	Share premium account	Retained earnings	Total
		£	£	£	£
Balance at 1 April 2019		1,698	988,467	2,076	992,241
Year ended 31 March 2020:					
Profit and total comprehensive income for the year		-	-	2,224	2,224
Balances at 31 March 2020		1,698	988,467	4,300	994,465
Year ended 31 March 2021:					
Profit and total comprehensive income for the year		-	-	2,446	2,446
Transactions with owners of the company					
Issue of share capital	5	449	248,741	-	249,190
Balances at 31 March 2021		2,147	1,237,208	6,746	1,246,101

ENVA TOPCO LIMITED

COMPANY STATEMENT OF CHANGES IN CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

		2021 £		2020 £
Investing activities				
Provision of loan to subsidiary	(249,190)		-	
Net cash used in investing activities		(249,190)		-
Financing activities				
Proceeds from issue of shares	249,190		-	
Net cash generated from/(used in) financing activities		249,190		-
Net increase in cash and cash equivalents		-	-	
Cash and cash equivalents at beginning of year		-		-
Cash and cash equivalents at end of year		-		-

1 Accounting policies

Company information

Enva Topco Limited is a private company limited by shares incorporated and domiciled in England and Wales. The registered office is Brailwood Road, Bilsthorpe, Newark, Nottinghamshire, United Kingdom, NG22 8UA. The company's principal activities and nature of its operations are disclosed in the directors' report.

Basis of Preparation

The Company financial statements, which are presented in sterling, have been prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006 ("Adopted IFRS").

The Company applies consistent accounting policies to those applied by the Group. To the extent that an accounting policy is relevant to both Group and Company financial statements, please refer to the Group financial statements for disclosure of the relevant accounting policy.

Going concern

The going concern assessment for the company can be found in the accounting policies of the Group financial statements on page 20.

2 Investments

	2021	2020
	£	£
Investments in subsidiaries	970,000	970,000

The Company directly holds an investment in Enva Midco Limited. This is presented in non current assets (£970,000).

Details of the Group's principal operating subsidiaries are included within the Group accounts.

3 Trade and other receivables

	Due within one year	
	2021	2020
	£	£
Other receivables	40,982	10,851
Amounts owed by fellow group undertakings	235,119	24,465
	276,101	35,316

Amounts due from fellow group undertakings bear interest at 10% per annum calculated on the outstanding balance at the beginning of the year.

4 Creditors

	2021 £	2020 £
Amounts owed to fellow group undertakings	-	10,851

5 Share capital

		2021 £	2020 £
Ordinary share capital			
Issued and fully paid			
829,862 Ordinary A of 0.01p each	(2020: 663,726 Ordinary A of 0.01p each)	83	66
201,948 Ordinary B1 of 0.01p each	(2020: 161,677 Ordinary B1 of 0.01p each)	20	16
3,588 Ordinary B2 of 0.01p each	(2020: 3,262 of 0.01p each)	1	1
40,000 Ordinary C1 of 1p each	(2020: 40,000 Ordinary C1 of 1p each)	400	400
164,282 Ordinary C2 of 1p each	(2020: 121,500 Ordinary C2 of 1p each)	1,643	1,215
		2,147	1,698

The company issued new shares during the year as part of a revision to the group banking arrangement. This also resulted in an increase in share premium per note 6.

6 Share premium account

	2021 £	2020 £
At the beginning of the year	988,467	988,467
Issue of new shares	248,741	-
At the end of the year	1,237,208	988,467

The company issued new shares during the year as part of a revision to the group banking arrangement (note 5). This resulted in an increase in share premium.

7 Credit risk management

Credit risk arises from credit exposure to intercompany receivables.

8 Capital risk management

The Company is not subject to any externally imposed capital requirements.