

Company Registration No. 10692821 (England and Wales)

ENVA MIDCO LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020



ENVA MIDCO LIMITED

COMPANY INFORMATION

Directors	Mr T J Walsh Mr S A Woods
Company number	10692821
Registered office	Brailwood Road Bilsthorpe Newark Nottinghamshire United Kingdom NG22 8UA
Auditor	KPMG LLP 319 St Vincent Street Glasgow G2 5AS

ENVA MIDCO LIMITED

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ENVA MIDCO LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2020

The directors present their annual report and financial statements for the year ended 31 March 2020.

Principal activities

Enva Midco Limited is a financing company within Enva - a collection of waste management companies based across the UK and Ireland, whose ultimate owner is Enva Topco Limited.

Results and dividends

The results for the year are set out on page 6. A loss of £2,701 (2019 a loss of £2,654) was made in the period, arising from non-recurring professional fees.

Performance is in line with managements' expectations and deemed satisfactory.

No ordinary dividends were paid (2019: £Nil). The directors do not recommend payment of a final dividend.

Principal risks and uncertainties

The directors of Enva Topco Limited, the company's ultimate controlling parent, manage the group's risks at group level, rather than at an individual business unit level. For this reason, the company's directors believe that a discussion of the group's risk would not be appropriate for an understanding of the development, performance or position of Enva Midco Limited's business. The principal risks and uncertainties of Enva Topco Limited, which include those of the company, are discussed in the group annual report which does not form part of this report.

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 as set out in the consolidated financial statements of Enva Topco Limited and its subsidiaries for the year ended 31 March 2020.

Key performance indicators

The Directors believe that analysis using key performance indicators for the company is not necessary or appropriate for an understanding of the performance or position of the company

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 J Walsh
Mr S A Woods

Auditor

The auditor, KPMG LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Strategic report

A Strategic Report has not been presented in accordance with the exemption available under Companies Act 2006 s414B.

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 company's auditor is aware of that information.

ENVA MIDCO LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

Principal risks and uncertainties

The directors of Enva Topco Limited, the company's ultimate controlling parent, manage the group's risks at group level, rather than at an individual business unit level. For this reason, the company's directors believe that a discussion of the group's risk would not be appropriate for an understanding of the development, performance or position of Enva Midco Limited's business. The principal risks and uncertainties of Enva Topco Limited, which include those of the company, are discussed in the group annual report which does not form part of this report.

Key performance indicators

The Directors believe that analysis using key performance indicators for the company is not necessary or appropriate for an understanding of the performance or position of the company.

On behalf of the board



Mr S A Woods
Director

12 March 2021

ENVA MIDCO LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2020

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

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

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

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ENVA MIDCO LIMITED

Opinion

We have audited the financial statements of Enva Midco Limited (the 'company') for the year ended 31 March 2020 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and related notes, including the accounting policies in note 1.

In our opinion:

- the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2020 and of the company's loss for the year then ended;
- the company financial statements have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union;
- 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease their 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 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").

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

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

Directors' report

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

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

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

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF ENVA MIDCO LIMITED

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement on page 3, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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

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

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

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Bruce Marks (Senior Statutory Auditor)
for and on behalf of KPMG LLP

12 March 2021

Chartered Accountants
Statutory Auditor

319 St Vincent Street
Glasgow
G2 5AS

ENVA MIDCO LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2020 £	2019 £
Administrative expenses		(2,700)	(2,650)
Investment income	2	11,510,544	10,463,919
Finance costs	3	(11,510,545)	(10,463,923)
Loss before taxation		(2,701)	(2,654)
Tax on loss	4	-	-
Loss and total comprehensive income for the financial year		(2,701)	(2,654)

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

The notes on pages 10 to 16 form part of these financial statements.

ENVA MIDCO LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2020

	Notes	2020 £	2019 £
Non-current assets			
Investments	5	970,000	970,000
Current assets			
Trade and other receivables falling due after more than one year	7	126,615,991	115,105,447
Trade and other receivables	7	-	117,500
		126,615,991	115,222,947
Current liabilities			
Trade and other payables	9	162,865	135,700
Net current assets		126,453,126	115,087,247
Total assets less current liabilities		127,423,126	116,057,247
Non-current liabilities			
Borrowings	8	126,474,031	115,083,210
Trade and other payables	9	-	22,241
		126,474,031	115,105,451
Net assets		949,095	951,796
Equity			
Called up share capital	10	9,700	9,700
Share premium account	11	960,300	960,300
Retained earnings		(20,905)	(18,204)
Total equity		949,095	951,796

The accompanying notes on pages 10 to 16 form an integral part of these financial statements.

ENVA MIDCO LIMITED

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 MARCH 2020

The financial statements were approved by the board of directors and authorised for issue on 12 March 2021 and are signed on its behalf by:



Mr S A Woods
Director

Company Registration No. 10692821

ENVA MIDCO LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2020

	Share capital	Share premium account	Retained earnings	Total
	£	£	£	£
Balance at 31 March 2018	9,700	960,300	(15,550)	954,450
Year ended 31 March 2019:				
Loss and total comprehensive income for the year	-	-	(2,654)	(2,654)
Balances at 31 March 2019	<u>9,700</u>	<u>960,300</u>	<u>(18,204)</u>	<u>951,796</u>
Year ended 31 March 2020:				
Loss and total comprehensive income for the year	-	-	(2,701)	(2,701)
Balances at 31 March 2020	<u>9,700</u>	<u>960,300</u>	<u>(20,905)</u>	<u>949,095</u>

The accompanying notes on pages 10 to 16 form an integral part of these financial statements.

ENVA MIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

Company information

Enva Midco Limited is a private company limited by shares incorporated 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.

1.1 Accounting convention

The financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, except for the revaluation of . The principal accounting policies adopted are set out below.

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

- the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share based Payment;
- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations. Equivalent disclosures are included in the consolidated financial statements of Enva Topco Limited in which the entity is consolidated;
- the requirements of paragraph 33 (c) of IFRS 5 Non current Assets Held for Sale and Discontinued Operations;
- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of: (i) paragraph 79(a) (iv) of IAS 1, (ii) paragraph 73(e) of IAS 16 Property Plant and Equipment (iii) paragraph 118 (e) of IAS 38 Intangibles Assets, (iv) paragraphs 76 and 79(d) of IAS 40 Investment Property and (v) paragraph 50 of IAS 41 Agriculture;
- the requirements of paragraphs 10(d), 10(f), 16, 38A to 38D, 39 to 40, 111 and 134-136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member ; and
- the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to share based payments, financial instruments, capital management, presentation of a cash flow statement, presentation of comparative information in respect of certain assets, standards not yet effective, impairment of assets, business combinations, discontinued operations and related party transactions.

Where required, equivalent disclosures are given in the group accounts of Enva Topco Limited. The group accounts of Enva Topco Limited are available to the public and can be obtained as set out in note 12.

ENVA MIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

1.2 Going concern

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

The directors have, as part of the Enva Topco Limited group's going concern assessment, prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides and the anticipated impact of COVID-19 on its operations and its financial resources the company will have sufficient funds, through its operating cash flows to meet its liabilities as they fall due for that period.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and consequently have prepared the financial statements on a going concern basis.

1.3 Non-current investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

1.4 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.

1.5 Financial assets

Financial assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument. Financial assets are classified into specified categories, depending on the nature and purpose of the financial assets.

At initial recognition, financial assets classified as fair value through profit and loss are measured at fair value and any transaction costs are recognised in profit or loss. Financial assets not classified as fair value through profit and loss are initially measured at fair value plus transaction costs.

Loans and receivables

Trade Receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

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.

ENVA MIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

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.

1.6 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 company's obligations are discharged, cancelled, or they expire.

1.7 Equity instruments

Equity instruments issued by the company 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 company.

2 Investment income

	2020 £	2019 £
Interest income		
Interest receivable from group companies	11,510,544	10,463,919

3 Finance costs

	2020 £	2019 £
Interest on financial liabilities measured at amortised cost:		
Interest payable to group undertakings	-	1,928
Interest on other loans	11,510,545	10,461,995
	<u>11,510,545</u>	<u>10,463,923</u>

Audit fees are now borne by other companies within the Enva Topco Limited Group.

Directors remuneration borne by other group companies totalled £745,936 for the Enva Topco Group.

ENVA MIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

4 Income tax expense

	2020 £	2019 £
Total tax charge	-	-

The charge for the year can be reconciled to the loss per the income statement as follows:

	2020 £	2019 £
Loss before taxation	(2,701)	(2,654)
Expected tax credit based on a corporation tax rate of 19.00%	(513)	(504)
Effect of expenses not deductible in determining taxable profit	1,078,049	1,987,779
Group relief	(2,036,271)	(1,987,275)
Deferred tax not recognised	958,735	-
Taxation charge for the year	-	-

The company has not recognised a deferred tax asset of £3,270,905 (2019: £3,149,872) on loan notes of £17,215,291 (2019: £18,528,660) in respect of short term temporary timing differences between the tax base and the carrying value.

5 Investments

	Current		Non-current	
	2020 £	2019 £	2020 £	2019 £
Investments in subsidiaries	-	-	970,000	970,000

The company has not designated any financial assets that are not classified as held for trading as financial assets at fair value through profit or loss.

Fair value of financial assets carried at amortised cost

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

ENVA MIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

5 Investments (Continued)

Movements in non-current investments

	Shares in group undertakings £
Cost or valuation	
At 1 April 2019 & 31 March 2020	970,000
Carrying amount	
At 31 March 2020	970,000
At 31 March 2019	970,000

6 Subsidiaries

Details of the company's subsidiaries at 31 March 2020 are as follows:

Name of undertaking	Registered office	Ownership interest (%)	Voting power held (%)	Nature of business
Enva Debtco Limited	Brailwood Road Bilsthorpe, Industrial Estate Bilsthorpe, Newark, Nottinghamshire, England, NG22 8UA	100	100	Provider of finance to other group entities

7 Trade and other receivables

	Current 2020 £	2019 £	Non-current 2020 £	2019 £
Amounts owed by fellow group undertakings	-	-	126,615,991	115,105,447
Other receivables	-	117,500	-	-
	-	117,500	126,615,991	115,105,447

Amounts from fellow group undertakings have no specific repayment date, the non trading element of which carries interest at a rate of 10% per annum.

ENVA MIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

8 Loans and overdrafts

	2020 £	2019 £
Unsecured borrowings at amortised cost		
Other loans	126,474,031	115,083,210

Analysis of loans and overdrafts

Borrowings 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:

	2020 £	2019 £
Non-current liabilities	126,474,031	115,083,210

The other loans expiration date is 31/12/2027 and the Company is charged interest at a rate of 10% per annum.

9 Trade and other payables

	Current 2020 £	2019 £	Non-current 2020 £	2019 £
Amounts owed to fellow group undertakings	162,865	135,700	-	22,241

10 Share capital

	2020 £	2019 £
Ordinary share capital		
<i>Issued and fully paid</i>		
970,000 Ordinary shares of 1p each	9,700	9,700

11 Share premium account

	2020 £	2019 £
At the beginning and end of the year	960,300	960,300

ENVA MIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

12 Controlling party

The immediate parent is Enva Topco Limited, a company incorporated in England.

The directors consider that the company is controlled by Enva Topco Limited by virtue of its indirect holding of 100% of the issued share capital of the company.

The largest and smallest group into which the results of the company are included is that headed by Enva Topco Limited, a company incorporated in England.

The publicly available financial statements of Enva Topco Limited can be obtained from:

Enva Topco Limited
Brailwood Road
Bilsthorpe Industrial Estate
Bilsthorpe
Newark
Nottinghamshire
United Kingdom
NG22 8UA