

Registered number: 02310433

Lidsey Landfill Limited

Annual report and financial statements

For the Year Ended 31 December 2020



Lidsey Landfill Limited

Company Information

Directors	G Cavanagh D Macphail B Slater S Fryer T Otley F Duval
Company secretaries	J Condliffe & M Thompson
Registered number	02310433
Registered office	SUEZ House Grenfell Road Maidenhead Berkshire SL6 1ES
Independent auditor	Mazars LLP 90 Victoria Street Bristol BS1 DP

Lidsey Landfill Limited

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Lidsey Landfill Limited

Strategic report For the Year Ended 31 December 2020

Introduction

The directors present their report and the financial statements for the year ended 31 December 2020. The company's principal activity during the year was the operation of a landfill site.

Business review

The company's key financial indicators during the year were as follows:

	2020	2019	
	£000	£000	Change
Turnover	214	309	- 31%
Operating loss	(113)	(150)	- 25%
Loss after tax	(275)	(379)	- 27%
Shareholders funds - equity	90	365	- 75%
Current assets as % of current liabilities	790%	707%	-12%

The company continues to operate a closed landfill which generates landfill gas that is used to generate electricity. Its revenue has decreased in 2020 as a result of lower electricity production coupled with lower electricity prices for much of the year. The operating loss is smaller in 2020 compared with 2019 as 2019 saw a significant unfavourable adjustment to the post closure provision.

Principal risks and uncertainties

The company's activities create risk factors that are both external and internal to the company. These risks include but are not limited to the costs of aftercare and restoration, environmental legislation and health and safety issues. The company has implemented risk controls and loss mitigation plans.

COVID-19

Since the outbreak of the COVID-19 virus in the United Kingdom, the directors have continually assessed the risks and impacts of the pandemic. The Company maintains a closed landfill site and all after care costs are fully provided for. The Company has significant cash reserves to cover future liabilities as they arise, therefore the directors consider COVID-19 as having no significant impact on the Company.

This report was approved by the board on 21 September 2021 and signed on its behalf.



F Duval
Director

Lidsey Landfill Limited

Directors' report For the Year Ended 31 December 2020

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

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 the profit or loss of the company for that period.

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

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

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

Results and dividends

The loss for the year, after taxation, amounted to £275,000 (2019 - loss £379,000).

No dividends were declared and paid (2019 - £500,000) for the year ended 31 December 2020.

Directors

The directors who served during the year were:

G Cavanagh
D Macphail
B Slater
S Fryer
T Otley
F Duval

Future developments

Following the closure of the companies landfill site, the directors expect the company will return to profitability through its gas generation activities.

Lidsey Landfill Limited

Directors' report (continued)
For the Year Ended 31 December 2020

Directors' indemnity

The company has granted indemnity to one or more of its directors against liabilities in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

Disclosure of information to auditor

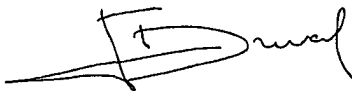
Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

The auditor, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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



F Duval
Director
Date: 21 September 2021

Lidsey Landfill Limited

Independent auditor's report to the members of Lidsey Landfill Limited

Opinion

We have audited the financial statements of Lidsey Landfill Limited (the 'Company') for the year ended 31 December 2020, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, and United Kingdom Accounting Standards including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements :

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities 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 the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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

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 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.

Other information

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our

Independent auditor's report to the members of Lidsey Landfill Limited (continued)

knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us 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.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Independent auditor's report to the members of Lidsey Landfill Limited (continued)

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 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the company and its industry, we identified that the principal risks of non-compliance with laws and regulations related to the UK tax legislation, and health and safety regulation, anti-bribery, corruption and fraud, money laundering, environmental legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006.

We evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to environmental provisions and recognition of deferred tax asset.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the directors and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

Lidsey Landfill Limited

Independent auditor's report to the members of Lidsey Landfill Limited (continued)

Use of our report

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



Jon Barnard (Sep 22, 2021 15:37 GMT+1)

Jonathan Barnard (Senior statutory auditor)

for and on behalf of
Mazars LLP

Statutory Auditor

90 Victoria Street
Bristol
BS1 1DP

Date: Sep 22, 2021

Lidsey Landfill Limited

**Statement of comprehensive income
For the Year Ended 31 December 2020**

	Note	2020 £000	2019 £000
Turnover	4	214	309
Cost of sales		(315)	(489)
Gross loss		(101)	(180)
Administrative expenses		(12)	(12)
Other operating income	5	-	42
Operating loss		(113)	(150)
Interest receivable and similar income	8	3	14
Interest payable and expenses	9	(169)	(154)
Loss before tax		(279)	(290)
Tax credit/(charge) on loss	10	4	(89)
Loss for the financial year		(275)	(379)
Total comprehensive income for the year		(275)	(379)

The notes on pages 12 to 24 form part of these financial statements.

Statement of financial position
As at 31 December 2020

	Note	2020 £000	2019 £000
Current assets			
Stocks	13	-	3
Debtors	14	104	150
Cash at bank and in hand	15	3,735	4,041
		<u>3,839</u>	<u>4,194</u>
Creditors: amounts falling due within one year	16	(486)	(593)
Net current assets		<u>3,353</u>	<u>3,601</u>
Total assets less current liabilities		<u>3,353</u>	<u>3,601</u>
Provisions for liabilities			
Other provisions	19	(3,263)	(3,236)
		<u>(3,263)</u>	<u>(3,236)</u>
Net assets		<u>90</u>	<u>365</u>
Capital and reserves			
Called up share capital	20	1	1
Profit and loss account	21	89	364
Shareholders funds - equity		<u>90</u>	<u>365</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 21 September 2021.



F Duval
Director

The notes on pages 12 to 24 form part of these financial statements.

Lidsey Landfill Limited

**Statement of changes in equity
For the Year Ended 31 December 2020**

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 January 2020	1	364	365
Comprehensive income for the year			
Loss for the year	-	(275)	(275)
Total comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	(275)	(275)
At 31 December 2020	1	89	90

The notes on pages 12 to 24 form part of these financial statements.

**Statement of changes in equity
For the Year Ended 31 December 2019**

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 January 2019	1	1,243	1,244
Comprehensive loss for the year			
Loss for the year	-	(379)	(379)
Total comprehensive loss for the year	-	-	-
Total comprehensive loss for the year	-	(379)	(379)
Dividends: Equity capital	-	(500)	(500)
At 31 December 2019	1	364	365

The notes on pages 12 to 24 form part of these financial statements.

Lidsey Landfill Limited

**Statement of cash flows
For the Year Ended 31 December 2020**

	2020 £000	2019 £000
Cash flows from operating activities		
Loss for the financial year	(275)	(379)
Adjustments for:		
Profit on disposal of tangible assets	-	(42)
Interest received	(3)	(14)
Taxation (credit)/charge	(4)	89
Decrease in stocks	3	7
Decrease/(increase) in debtors	45	(26)
(Decrease)/increase in creditors	(102)	69
Increase in provisions	27	55
Net cash used from operating activities	(309)	(241)
Cash flows from investing activities		
Sale of tangible fixed assets	-	42
Interest received	3	14
Net cash from investing activities	3	56
Cash flows from financing activities		
Dividends paid	-	(500)
Net cash used in financing activities	-	(500)
Net (decrease) in cash and cash equivalents	(306)	(685)
Cash and cash equivalents at beginning of year	4,041	4,726
Cash and cash equivalents at the end of year	3,735	4,041
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	3,735	4,041
	3,735	4,041

The notes on pages 12 to 24 form part of these financial statements.

Notes to the financial statements
For the Year Ended 31 December 2020

1. General information

Lidsey Landfill Limited is a private company limited by shares and incorporated and domiciled in the United Kingdom. These financial statements cover the individual entity. The address of its registered office is shown on the company information.

The principal activities of the company is the operation of a landfill site.

The company is jointly owned by SUEZ Recycling and Recovery Southern Limited and Veolia Environmental Services (UK) Plc. These companies are considered to be in joint control of Lidsey Landfill Limited by virtue of each owning 50% of the share capital of the company.

The financial statements have been presented in Pounds Sterling as this is the functional currency of the company and all values are rounded to the nearest thousand pounds (£000) except when otherwise indicated.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Revenue

Revenue is recognised to the extent that the company obtains the right to consideration in exchange for the receipt and disposal of waste at its landfill site and production of landfill gas. Revenue is measured at the fair value of the consideration received excluding discounts, rebates, VAT and other sales taxes or duty, but including landfill tax where appropriate. The following criteria must also be met before revenue is recognised:

Rendering of services:

Revenue from the handling of waste is recognised when the waste has been passed to, and receipted by, the company.

Gas revenue:

Gas royalty revenue is recognised in the period the electricity has been generated.

Interest income:

Interest revenue is recognised as it accrues using the straight line interest method.

2.3 Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

**Notes to the financial statements
For the Year Ended 31 December 2020**

2. Accounting policies (continued)

2.4 Finance costs

Finance costs are charged to the Income statement over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount.

2.5 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

**Notes to the financial statements
For the Year Ended 31 December 2020**

2. Accounting policies (continued)

2.6 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Landfill site & cell costs	- On the basis of airspace used
Plant & machinery	- 5 - 10 years, straight line
Motor vehicles	- 4 years, straight line
Computer software	- 1 year, straight line
Office equipment	- 4 years, straight line
Computer equipment	- 3 - 5 years, straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

2.7 Stocks

Stocks relate to spare parts and fuel and are valued at cost after making due allowance for obsolete and slow moving items. Cost is based on the cost of purchase on a first in, first out basis.

2.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at present value of future payments discounted at a market rate of interest for a similar loan, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at value of future payments discounted at a market rate of interest for a similar loan, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2. Accounting policies (continued)

2.11 Provisions for liabilities

Aftercare provisions

Aftercare costs are provided over the operational life of the landfill site and incurred for a specific period once the landfill is closed. Provision for all such costs is charged to the Profit and loss account on the basis of the usage of available airspace. Provisions are discounted by applying an appropriate discount rate, and unwinding of this discount is charged to the Profit and loss account as a finance charge. The discount rate used for the year ended 31 December 2020 is 6.01% (2019 - 6.39%) and the inflation rate used is 2.40% (2019 - 2.34%).

Landfill restoration costs

Provision for the cost of restoring landfill sites is made over the operational life of the landfill site and charged to the Profit and loss account on the basis of the usage of available airspace.

2.12 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable and loans to and from related parties.

2.13 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

Notes to the financial statements
For the Year Ended 31 December 2020

3. Judgments in applying accounting policies and key sources of estimation uncertainty

Judgments

The Company management makes judgments to define the appropriate accounting treatment to apply to certain activities and transactions, when the effective IFRS standards and interpretations do not specifically deal with the related accounting issue.

Taxation – management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits. As at 31st December 2020 the company's deferred tax asset was £34,000 (2019: £30,000) (Note 18)

Estimates

Due to uncertainties inherent in the estimation process, the Company regularly revises its estimates in light of currently available information. Final outcomes could differ from those estimates.

The key estimate used by the Company in preparing the Financial Statements relates to:

Landfill provisions – The post closure costs associated with environmental control after landfill sites close are uncertain. The key factors are the volumes of leachate requiring treatment, the amount of landfill gas produced by the site and the amounts of electricity income this can generate, the speed at which the waste decomposes and other requirements set out by the environmental regulator. The provision requirement is reviewed and updated, if required, on an annual basis. The provisions are recognised in the financial statements at net present value using a discounted rate estimated by management to reflect the time value of money. At 31 December 2020 the company's landfill provisions were £3.263m (2019: £3.236m) (Note 19).

4. Turnover

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

	2020 £000	2019 £000
Gas revenue	214	309
	<u>214</u>	<u>309</u>

All revenue arose in the United Kingdom.

5. Other operating income

	2020 £000	2019 £000
Profit on disposal of tangible assets	-	42
	<u>-</u>	<u>42</u>

Lidsey Landfill Limited

**Notes to the financial statements
For the Year Ended 31 December 2020**

6. Auditor's remuneration

	2020	2019
	£000	£000
Fees payable to the Company's auditor for the audit of the Company's annual accounts	<u>14</u>	<u>13</u>

7. Staff costs

The company does not directly employ any staff. Employees of SUEZ Recycling and Recovery UK Limited operate the site on a day-to-day basis, and their salary costs are recharged to the company. During the year, no director received any emoluments for services to this company (2019 - £nil).

8. Interest receivable and similar income

	2020	2019
	£000	£000
Other interest receivable	<u>3</u>	<u>14</u>
	<u>3</u>	<u>14</u>

9. Interest payable and similar expenses

	2020	2019
	£000	£000
Discounting of environmental provision	<u>169</u>	<u>154</u>
	<u>169</u>	<u>154</u>

Lidsey Landfill Limited

**Notes to the financial statements
For the Year Ended 31 December 2020**

10. Taxation

	2020 £000	2019 £000
Total current tax	-	-
Deferred tax		
Origination and reversal of timing differences	(4)	(49)
Deferred tax not recognised	-	136
Adjustments in respect of prior years	-	2
Total deferred tax	(4)	89
Taxation on loss on ordinary activities	(4)	89

Factors affecting tax (credit)/charge for the year

The tax assessed for the year is higher than (2019 - *higher than*) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £000	2019 £000
Loss on ordinary activities before tax	(279)	(290)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	(53)	(55)
Effects of:		
Adjustments to tax charge in respect of prior periods	-	2
Deferred tax not recognised	53	136
Remeasurement of deferred tax for changes in tax rates	(4)	-
Rate change adjustments	-	6
Total tax charge/(credit) for the year	(4)	89

Factors that may affect future tax charges

The increase to the UK corporation tax rate from 19% to 25% was substantively enacted on 24 May 2021 and will be effective from 1 April 2023. The change had not been substantively enacted at the balance sheet date and, therefore, is not recognised in these financial statements.

The estimated impact of the rate change to the net Deferred Tax asset is not expected to have a material impact.

The amount of losses carried forward which are unrecognised for deferred tax purposes are £490,000.

Lidsey Landfill Limited

**Notes to the financial statements
For the Year Ended 31 December 2020**

11. Dividends

	2020 £000	2019 £000
Ordinary Dividends paid at £500 per share in 2019	-	500
	<u>-</u>	<u>500</u>

12. Tangible fixed assets

	Freehold property £000	Plant & machinery £000	Fixtures & fittings £000	Total £000
Cost or valuation				
At 1 January 2020	12,748	644	1	13,393
At 31 December 2020	<u>12,748</u>	<u>644</u>	<u>1</u>	<u>13,393</u>
Depreciation				
At 1 January 2020	12,748	644	1	13,393
At 31 December 2020	<u>12,748</u>	<u>644</u>	<u>1</u>	<u>13,393</u>
Net book value				
At 31 December 2020	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2019	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

13. Stocks

	2020 £000	2019 £000
Raw materials and consumables	-	3
	<u>-</u>	<u>3</u>

In the year ended 31 December 2020 £3,000 (2019: £7,000) was the amount of inventory recognised as an expense. £nil has been written down in the year (2019: £nil).

The difference between purchase price of stocks and their replacement cost is not material.

Lidsey Landfill Limited

**Notes to the financial statements
For the Year Ended 31 December 2020**

14. Debtors

	2020 £000	2019 £000
Due after more than one year		
Deferred tax asset	34	30
	34	30
Due within one year		
Trade debtors	25	33
Other debtors	-	4
Prepayments and accrued income	40	78
Tax recoverable	5	5
	104	150

15. Cash and cash equivalents

	2020 £000	2019 £000
Cash at bank and in hand	3,735	4,041
	3,735	4,041

16. Creditors: Amounts falling due within one year

	2020 £000	2019 £000
Trade creditors	5	7
Accruals	481	586
	486	593

Lidsey Landfill Limited

**Notes to the financial statements
For the Year Ended 31 December 2020**

17. Financial instruments

	2020	2019
	£000	£000
Financial assets		
Financial assets measured at fair value through profit or loss	3,800	4,156
	<hr/>	<hr/>
Financial liabilities		
Financial liabilities measured at amortised cost	(486)	(593)
	<hr/>	<hr/>

Financial assets measured at amortised cost comprise of cash, trade debtors, other debtors and accrued income.

Financial liabilities measured at amortised cost comprise of trade creditors and accruals.

18. Deferred taxation

	2020	2019
	£000	£000
At beginning of year	30	119
Credited/(charged) to profit or loss	4	(89)
At end of year	34	30
	<hr/>	<hr/>

The deferred tax asset is made up as follows:

	2020	2019
	£000	£000
Tax losses carried forward	34	30
	<hr/>	<hr/>
	34	30
	<hr/>	<hr/>

**Notes to the financial statements
For the Year Ended 31 December 2020**

19. Provisions

	Aftercare provision £000
At 1 January 2020	3,236
Utilised in year	(221)
Unwinding of discounting	169
Charged to profit or loss	79
At 31 December 2020	3,263

Aftercare provision

The landfill site was closed in 2017. Utilisation of the aftercare provision is anticipated to be within 60 years of the closure of the landfill site. The above provisions are made to cover expected future expenditure required as a condition of operating the landfill site. Provisions for aftercare costs are discounted by applying a discount rate and the unwinding of this discount is charged to the Profit and loss account as a finance charge. The discount rate used for the year ended 31 December 2020 is 6.01% (2019 - 6.39%) and the inflation rate used is 2.40% (2019 - 2.34%).

Sensitivity Analysis

The following table show the impact on the aftercare provision of a +/- 0.1% movement in inflation rate and discount rate.

Model assumptions	Inflation rate		Discount rate	
	+0.1%	-0.1%	+0.1	-0.1%
Aftercare provision movement (£'000)	+50	-48	-53	+42

Lidsey Landfill Limited

**Notes to the financial statements
For the Year Ended 31 December 2020**

20. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
500 (2019 - 500) 'A' ordinary shares of £1.00 each	500	500
500 (2019 - 500) 'B' ordinary shares of £1.00 each	500	500
	<u>1,000</u>	<u>1,000</u>

Ordinary 'A' Shares and Ordinary 'B' Shares rank pari passu.

21. Reserves**Profit & loss account**

Profit & Loss account is distributable reserves made up of retained earnings.

22. Contingent liabilities

The company has provided unsecured guarantees to third parties in respect of restoration and performance bonds.

At 31 December 2020, guarantees outstanding amounted to £3,674,000 (2019 - £3,696,000)

23. Related party transactions

SUEZ Recycling and Recovery UK (SUEZ R&R UK) Group, through its subsidiary SUEZ Recycling and Recovery Southern Limited, is the holder of 50% of the share capital of the company. During the year, the company made purchases of £157,000 (2019 - £123,000) from SUEZ R&R UK subsidiaries for site services rendered. At 31 December 2020, £6,000 (2019 - £95,000) was due from the company to SUEZ R&R UK subsidiary companies. A dividend of £Nil (2019: £250,000) was paid to SUEZ Recycling and Recovery Southern Limited.

Veolia Environnement S.A. (incorporated in France), through its subsidiary Veolia Environmental Services (UK) Plc, is the holder of 50% of the share capital of the company. During the year, the Company paid a dividend of £Nil (2019: £250,000) to Veolia Environmental Services (UK) Plc.

24. Post balance sheet events

Since the balance sheet date SUEZ and Veolia boards have announced that they had reached a final agreement on the details of a takeover which includes SUEZ subsidiaries in the UK, including the Company, forming part of Veolia. The agreement was ratified at the SUEZ Annual General Meeting on 30 June 2021. This has been treated as a non adjusting post balance sheet event.

6. 3.

Lidsey Landfill Limited

Notes to the financial statements
For the Year Ended 31 December 2020

25. Controlling party

The company is jointly owned by SUEZ Recycling and Recovery Southern Limited and Veolia Environmental Services (UK) Plc. These companies are considered to be in joint control of Lidsey Landfill Limited by virtue of each owning 50% of the share capital of the company.