
RENEWI PFI INVESTMENTS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

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RENEWI PFI INVESTMENTS LIMITED

COMPANY INFORMATION

Directors	N R Miles A N Richford
Company secretary	P B Griffin-Smith
Registered number	03158124
Registered office	Dunedin House Auckland Park Mount Farm Bletchley Milton Keynes Buckinghamshire MK1 1BU
Independent auditor	BDO LLP 55 Baker St London W1U 7EU

RENEWI PFI INVESTMENTS LIMITED

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RENEWI PFI INVESTMENTS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2022

Introduction

The Directors present their Strategic Report for the Company for the year ended 31 March 2022.

Principal activities, business review and future outlook

The Company is a holding Company for a number of PFI/PPP investments.

The Company's loss before taxation was £1,041,000 (2021: £414,000 loss). The loss for the year was higher compared to the previous year due to an exceptional profit in the prior year of £599,000 arising on the acquisition of the remaining 25% holding in Renewi BDR Holdings Limited, along with the current year exceptional loss of £89,000 (2021: £51,000 gain) in relation to the impairment of a subordinated loan to a subsidiary.

At the end of the year, total equity stood at a deficit of £34,264,000 (2021: £33,346,000 deficit).

The Directors do not anticipate any significant changes for the coming year in respect of the position and activities of the Company.

Key performance indicators

Given the straightforward nature of the business, the Directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the Company.

Principal risks and uncertainties

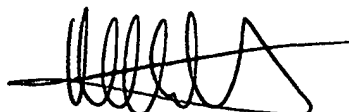
The Company's ultimate controlling parent is Renewi plc. Risks are managed at a group level in accordance with the risk management framework of Renewi plc. The principal risks and uncertainties of Renewi plc are discussed in its Annual Report and Accounts for the year ended 31 March 2022.

A key risk for the Company is the ability of the businesses it has invested in to obtain insurance on an ongoing and reasonably priced basis.

Financial risk management

A discussion of the objectives and policies employed in managing risk and the Company's use of financial instruments can be found in the Renewi plc Annual Report and Accounts for the year ended 31 March 2022.

This report was approved by the Board on 13 December 2022 and signed on its behalf.



N R Miles
Director

RENEWI PFI INVESTMENTS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2022

The directors present their report and the financial statements for the year ended 31 March 2022.

Results and dividends

The loss for the year, after taxation, amounted to £918,000 (2021: profit £152,000).

The Directors do not recommend payment of a final dividend (2021: £nil).

Directors

The Directors who served during the year and up to the date of signing the financial statements unless otherwise stated were:

N R Miles (appointed 1 April 2022)

A N Richford

T R Woolrych (resigned 31 March 2022)

Future developments

Future developments have been discussed within the Strategic Report.

Financial risk management

The Strategic Report provides information regarding the policy of managing the principal financial risks.

Going concern

The Directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the ultimate parent Company, Renewi plc. The Directors have received confirmation that Renewi plc intend to support the Company for at least one year after these financial statements are signed.

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

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

RENEWI PFI INVESTMENTS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

Directors' responsibilities statement (continued)

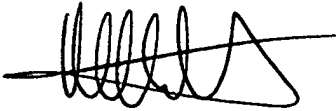
The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies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

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.

This report was approved by the Board on 13 December 2022 and signed on its behalf.



N R Miles
Director

RENEWI PFI INVESTMENTS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RENEWI PFI INVESTMENTS LIMITED

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2022 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.

We have audited the financial statements of Renewi PFI Investments Limited ("the Company") for the year ended 31 March 2022 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and notes to the financial statements, 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 101 'Reduced Disclosure Framework'.

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

Independence

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

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 Directors are responsible for the other information. The other information comprises the information included in the Annual Report and Financial Statements other than the financial statements and our auditor's report thereon. 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. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

RENEWI PFI INVESTMENTS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RENEWI PFI INVESTMENTS LIMITED

Other information (continued)

We have nothing to report in this regard.

Other Companies Act 2006 reporting

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.

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, 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.

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.

Extent to which the audit was capable of detecting irregularities, including fraud

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

Based on our understanding of the Company, we considered those laws and regulations that have a direct

RENEWI PFI INVESTMENTS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RENEWI PFI INVESTMENTS LIMITED

Auditor's responsibilities for the audit of the financial statements (continued)

Extent to which the audit was capable of detecting irregularities, including fraud (continued)

impact on the preparation of the financial statements, such as the Companies Act 2006 and UK tax requirements. The Company is also 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 evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of override of controls, and determined that the principal risks were related to posting inappropriate journal entries. Audit procedures performed by the engagement team included:

- discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud; and
- evaluating management's controls designed to prevent and detect irregularities.

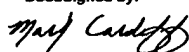
Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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.

DocuSigned by:



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Mark Cardiff (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor
London, UK

Date: 14 December 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

RENEWI PFI INVESTMENTS LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 £000	2021 £000
Exceptional administrative income		-	599
Operating profit	4	-	599
Finance income	6	1,650	1,538
Finance charges	7	(2,602)	(2,602)
Finance charges/(income) - exceptional item	8	(89)	51
Loss before tax		(1,041)	(414)
Tax on loss	9	123	566
(Loss)/profit for the financial year		(918)	152
Total comprehensive (loss)/income for the year		(918)	152

The notes on pages 11 to 23 form part of these financial statements.

RENEWI PFI INVESTMENTS LIMITED
REGISTERED NUMBER: 03158124

BALANCE SHEET
AS AT 31 MARCH 2022

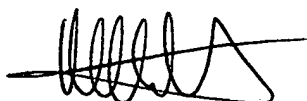
	Note	2022 £000	2021 £000
Non-current assets			
Investments	10	100	100
Trade and other receivables	11	12,251	12,014
Deferred tax asset	14	700	600
		<u>13,051</u>	<u>12,714</u>
Current assets			
Trade and other receivables	11	6,081	4,796
Current tax receivable		-	10
Cash at bank and in hand		40	8
		<u>6,121</u>	<u>4,814</u>
Current liabilities			
Trade and other payables	12	(25,193)	(21,748)
Current tax payable		-	(33)
Net current liabilities		<u>(19,072)</u>	<u>(16,967)</u>
Total assets less current liabilities		(6,021)	(4,253)
Non-current liabilities			
Other non-current liabilities	13	(28,243)	(29,093)
Net liabilities		<u><u>(34,264)</u></u>	<u><u>(33,346)</u></u>

RENEWI PFI INVESTMENTS LIMITED
REGISTERED NUMBER: 03158124

BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2022

	Note	2022 £000	2021 £000
Equity			
Share capital	15	-	-
Accumulated losses		(34,264)	(33,346)
Total equity		<u>(34,264)</u>	<u>(33,346)</u>

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on 13 December 2022.



N R Miles
Director

The notes on pages 11 to 23 form part of these financial statements.

RENEWI PFI INVESTMENTS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022**

	Share capital £000	Accumulated losses £000	Total equity £000
At 1 April 2020	-	(33,498)	(33,498)
Total comprehensive income for the year			
Profit for the financial year	-	152	152
Total comprehensive income for the year	-	152	152
At 31 March 2021	-	(33,346)	(33,346)
Total comprehensive expense for the year			
Loss for the financial year	-	(918)	(918)
Total comprehensive expense for the year	-	(918)	(918)
At 31 March 2022	-	(34,264)	(34,264)

The notes on pages 11 to 23 form part of these financial statements.

RENEWI PFI INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

1. General information

Renewi PFI Investments Limited (the "Company") is a private Company limited by shares, incorporated and domiciled in England and Wales. The address of the registered office is given in the Strategic Report.

The Company's parent undertaking, Renewi plc, includes the Company in its consolidated financial statements. The consolidated financial statements of Renewi plc are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from the Company Secretary, Renewi plc, Dunedin House, Auckland Park, Milton Keynes, Buckinghamshire, MK1 1BU.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared on the historical cost basis in accordance with applicable law, the Companies Act 2006 and Financial Reporting Standard 101 'Reduced Disclosure Framework (FRS 101)'. The presentation currency of these financial statements is sterling and all amounts have been rounded to the nearest £1,000.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006, but makes amendments where necessary in order to comply with Companies Act 2006 as applicable to companies reporting under FRS 101.

The Company is a qualifying entity and has applied the following disclosure exemptions in the preparation of the financial statements under FRS 101:

- a Cash Flow Statement and related notes;
- disclosures in respect of related party transactions for wholly owned subsidiaries within a group;
- disclosures in respect of capital management;
- disclosures in respect of financial instruments under IFRS 7;
- the effects of new but not yet effective IFRSs;
- disclosures in respect of the compensation of Key Management Personnel; and
- disclosures of transactions with a management entity that provides key management personnel services to the Company.

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

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

Judgements made by the Directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 3.

2.2 Going concern

The financial statements are prepared on a going concern basis, as it is the intention of Renewi plc to take steps to make arrangements for present, future or contingent obligations of the Company, to be met for the foreseeable future.

RENEWI PFI INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.3 Finance income

Finance income comprises interest receivable on loans to subsidiary undertakings. Interest income is recognised on an accruals basis in the Statement of Comprehensive Income. For loans that are determined to be credit impaired, interest is calculated on amortised cost gross carrying amount less expected credit losses and for loans that are not credit impaired, interest is calculated on the gross value of the loan.

2.4 Finance charges

Finance charges comprise interest payable on intercompany loans and an exceptional finance charge following a review of the recoverability of the subordinated loan made to a related party. Interest expense is recognised on an accruals basis in the Statement of Comprehensive Income.

2.5 Exceptional items

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the Company. They are material items of income or expense that have been shown separately due to the significance of their nature or amount. Exceptional items are considered individually and assessed at each reporting period.

2.6 Amounts owed by subsidiary undertakings

Amounts owed by subsidiary undertakings are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method less any provision for impairment losses. The Company measures impairment losses using the general expected credit loss model taking into account objective evidence of impairment as a result of assessing the estimated future cash flows of the financial asset.

RENEWI PFI INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.7 Current and deferred taxation

Current tax

Current tax is based on taxable profit or loss for the year. Taxable profit differs from profit before tax in the profit or loss because it excludes items of income or expense that are taxable or deductible in other years or that are never taxable or deductible. The asset or liability for current tax is calculated using tax rates and laws that have been enacted, or substantively enacted, at the balance sheet date.

Deferred tax

Deferred tax is recognised in full where the carrying value of assets and liabilities in the financial statements is different to the corresponding tax bases used in the computation of taxable profits. 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 the taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is calculated at the tax rates that have been substantively enacted at the balance sheet date. Deferred tax provisions have not been discounted.

The recognition of deferred tax assets is based upon management's calculations of expected taxable profits in the Company and tax group against which to utilise the assets in the future. The Company assesses the availability of future taxable profits using the five-year forecasts as used for the value in use calculations for impairment reviews together with other available long term forecasts. The predictability of income streams is also taken into consideration and where profits are highly predictable beyond the five year projections profits from these periods are taken into account in the deferred tax recognition. Based on this assessment, the period of forecasts used to calculate deferred tax recovery is nine years.

2.8 Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.9 Financial instruments

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with a maturity of three months or less.

Other receivables and other payables

Other receivables and other payables are initially recognised at fair value and subsequently measured at amortised cost.

For other receivables the general approach under IFRS 9 "Financial Instruments" is applied which requires an Expected Credit Loss ("ECL") allowance to be recorded on initial recognition if appropriate and then at each reporting date an assessment is made to determine the changes in the risk of default occurring over the expected life of the receivable.

RENEWI PFI INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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

The preparation of financial statements in accordance with FRS 101 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The areas involving a higher degree of judgement or complexity are set out below and in more detail in the related notes.

Impairment of investments and amounts owed by group undertakings

The Company assesses the impairment of investments whenever there is reason to believe that the carrying value may not exceed the fair value and where a permanent impairment in value is anticipated. The determination of whether the impairment of these assets involves the use of estimates that includes, but is not limited to, the analysis of the cause of potential impairment in value, the timing of such potential impairment and an estimate of the amount of the impairment.

For amounts owed by group undertakings the general approach under IFRS 9 "Financial Instruments" is applied which requires an Expected Credit Loss ("ECL") allowance to be recorded on initial recognition if appropriate and then at each reporting date an assessment is made to determine the changes in the risk of default occurring over the expected life of the receivable.

4. Operating profit

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

	2022 £000	2021 £000
Exceptional administrative items		
Gain on acquisition of minority stake in subordinated debt to subsidiary undertaking	-	599
Investment in minority stake of a subsidiary undertaking	-	25
Impairment of investment in subsidiary undertaking	-	(25)
	<u>-</u>	<u>599</u>

In the prior year, the additional investment in the subsidiary Renewi BDR Holdings Limited of £25,000 for £1 was recognised and impaired immediately.

An exceptional administrative income of £599,000 was recognised on the acquisition of 25% minority share of subordinated debt to Renewi BDR Holdings Limited.

Audit fees of £4,000 (2021: £4,000) were borne by a group undertaking.

RENEWI PFI INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

5. Staff numbers and employee information

The Company has no employees other than the Directors, who did not receive any remuneration (2021 - £nil).

The Company's fellow subsidiary, Renewi UK Services Limited, was contracted to provide management and administrative support to the Company.

None of the emoluments paid to the Directors by the other group companies related to the services of this Company (2021: £nil).

6. Finance income

	2022 £000	2021 £000
Intercompany interest receivable	1,650	1,538
	<u>1,650</u>	<u>1,538</u>

7. Finance charges

	2022 £000	2021 £000
Intercompany interest payable	2,591	2,589
Other finance charges	11	13
	<u>2,602</u>	<u>2,602</u>

8. Finance charges - exceptional item

	2022 £000	2021 £000
Finance charges - exceptional item - (loss)/gain	(89)	51
	<u>(89)</u>	<u>51</u>

The exceptional finance loss of £89,000 (2021: £51,000 gain) relates to a provision for impairment in respect of a subordinated loan receivable made to one of the Company's subsidiary undertakings.

RENEWI PFI INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

9. Taxation

	2022 £000	2021 £000
Corporation tax		
Current tax for the year	23	(34)
Total current tax	<u>23</u>	<u>(34)</u>
Deferred tax		
Origination and reversal of timing differences	100	600
Total deferred tax	<u>100</u>	<u>600</u>
Taxation on loss on ordinary activities	<u>123</u>	<u>566</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2021 - lower than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £000	2021 £000
Loss on ordinary activities before tax	<u>(1,041)</u>	<u>(414)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	198	79
Effects of:		
Prior year adjustment	23	-
Non deductible exceptional items	-	116
Deferred tax - Tax losses not previously recognised	(10)	600
Non deductible provision against finance income receivable	(277)	(229)
Changes in tax rates	189	-
Total tax credit for the year	<u>123</u>	<u>566</u>

In the prior year an increase in deferred tax asset recognised has arisen as a result of the future income which will be derived from the subordinated debt acquired during the year, against which tax losses will be relieved in the future.

RENEWI PFI INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

9. Taxation (continued)

Factors that may affect future tax charges

In the UK Chancellor's Budget of 3 March 2021 it was announced that the UK corporation tax rate will increase to 25% with effect from 1 April 2023. This measure was substantively enacted on 24 May 2021. As a result, the UK deferred tax position has been calculated based on the substantively enacted rates of 19% and 25% (2021: 19%).

10. Investments

	Investments in subsidiary companies £000
Cost	
At 1 April 2021 and 31 March 2022	200
Impairment	
At 1 April 2021 and 31 March 2022	100
Net book value	
At 1 April 2021 and 31 March 2022	<u>100</u>

RENEWI PFI INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

10. Investments (continued)**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Renewi Cumbria Holdings Limited	Dunedin House, Auckland Park, Mount Farm, Milton Keynes, MK1 1BU, United Kingdom	Holding Company	Ordinary	100%
Renewi Cumbria Limited	Dunedin House, Auckland Park, Mount Farm, Milton Keynes, MK1 1BU, United Kingdom	Waste management	Ordinary	100%
Renewi BDR Holdings Limited (formerly 3SE (Barnsley, Doncaster & Rotherham) Holdings Limited)	Dunedin House, Auckland Park, Mount Farm, Milton Keynes, MK1 1BU, United Kingdom	Holding Company	Ordinary	100%
Renewi BDR Limited (formerly 3SE (Barnsley, Doncaster & Rotherham) Limited)	Dunedin House, Auckland Park, Mount Farm, Milton Keynes, MK1 1BU, United Kingdom	Waste management	Ordinary	100%

RENEWI PFI INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

10. Investments (continued)**Joint ventures**

The following were joint ventures of the Company:

Name	Registered office	Principal activity	Holding
Resource Recovery Solutions (Derbyshire) Holdings Limited	Dunedin House, Auckland Park, Mount Farm, Milton Keynes, MK1 1BU, United Kingdom	Holding Company	50%
Resource Recovery Solutions (Derbyshire) Limited	Dunedin House, Auckland Park, Mount Farm, Milton Keynes, MK1 1BU, United Kingdom	Waste management	50%
Wakefield Waste Holdings Limited	Dunedin House, Auckland Park, Mount Farm, Milton Keynes, MK1 1BU, United Kingdom	Holding Company	50.01%
Wakefield Waste PFI Holdings Limited	Dunedin House, Auckland Park, Mount Farm, Milton Keynes, MK1 1BU, United Kingdom	Holding Company	50.01%
Wakefield Waste PFI Limited	Dunedin House, Auckland Park, Mount Farm, Milton Keynes, MK1 1BU, United Kingdom	Waste management	50.01%

On 2 August 2019 the contract between Derby City and Derbyshire County Councils and Resource Recovery Solutions (Derbyshire) Holdings Limited was terminated. On 4 September 2019, the entities went into administration.

RENEWI PFI INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

11. Trade and other receivables

	2022 £000	2021 £000
Due after more than one year		
Amounts owed by group undertakings	12,251	12,014
	<hr/>	<hr/>
	12,251	12,014
Due within one year		
Amounts owed by group undertakings	5,798	4,475
Prepayments	283	321
	<hr/>	<hr/>
	6,081	4,796
	<hr/>	<hr/>

Due after more than one year

The amounts owed by group undertakings includes £2,791,000 (2021: £2,554,000) in relation to a subordinated loan and interest net of expected credit loss of £12,906,000 (2021: £12,817,000) owed by Renewi BDR Holdings Limited. The loan bears interest at 12.75% per annum up to 30 September 2037.

The amount owed by group undertakings also includes a principal amount of £9,460,000 (2021: £9,460,000) on a subordinated loan owed by Renewi Cumbria Holdings Limited. The loan is subject to interest at 14% per annum and is repayable by instalments to 30 September 2033.

The above amounts have been classified as amounts due after more than one year.

Due within one year

Subordinated debt interest of £3,973,000 (2021: £2,648,000) has been accrued in relation to the loan to Renewi Cumbria Limited and has been classified as current as the counterparty does not have an unconditional right to avoid settlement and the Company expects to realise the asset in its normal operating cycle. However, in accordance with the financing agreements, the counterparty is prohibited from making any payments to sub debt holders until it has fulfilled its obligations to the senior debt holders which is likely to be more than 12 months after the year end.

All other amounts owed by group undertakings are unsecured, interest free and have no fixed date of repayment.

RENEWI PFI INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

12. Trade and other payables

	2022 £000	2021 £000
Amounts owed to parent undertaking	25,156	21,715
Other taxation and social security	4	-
Accruals	33	33
	<u>25,193</u>	<u>21,748</u>

Included in amounts owed to parent undertaking is £25,156,000 (2021: £21,715,000) in respect of subordinated loans. Further information in relation to these loans is provided in note 13.

13. Other non-current liabilities

	2022 £000	2021 £000
Amounts owed to parent undertaking	28,243	29,093
	<u>28,243</u>	<u>29,093</u>

Amounts owed to parent undertaking

	2022 £000	2021 £000
Due between 1 and 2 years	468	851
Due between 2 and 5 years	2,978	2,464
Due after more than 5 years	24,797	25,778
	<u>28,243</u>	<u>29,093</u>

Amounts owed to parent undertaking comprise funding which allowed the Company to make subordinated loans to Renewi Cumbria Holdings Limited, Renewi BDR Holdings Limited and Resource Recovery Solutions (Derbyshire) Holdings Limited. The amounts shown above and in note 12 are inclusive of interest. The principal amounts of these loans are stated below:

The amount owed in respect of Renewi Cumbria Holdings Limited of £9,460,000 (2021: £9,460,000) is subject to interest at 14% per annum. The loan is repayable in instalments to 30 September 2033.

The amount owed in respect of Renewi BDR Holdings Limited of £9,928,000 (2021: £9,928,000) bears interest at 12.75% per annum to September 2037.

The amount owed in respect of Resource Recovery Solutions (Derbyshire) Holdings Limited of £17,505,000 (2021: £17,505,000) bears interest at 12.25% per annum. The loan is repayable in instalments to 30 September 2039.

RENEWI PFI INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

The subordinated loans are only repayable by the Company where repayments on the intercompany loans receivable from the subsidiary undertakings, Renewi Cumbria Holdings Limited, Renewi BDR Holdings Limited and Resource Recovery Solutions (Derbyshire) Holdings Limited, have been made.

14. Deferred taxation

	2022 £000
At beginning of year	600
Credited to the Statement of Comprehensive Income	100
At end of year	700

The deferred tax asset is made up as follows:

	2022 £000	2021 £000
Tax losses	700	600

At 31 March 2022 the Company had unused trading losses (tax effect) of £5,360,000 (2021: £4,151,000) available for offset against future profits. Deferred tax of £700,000 (2021: £600,000) has been recognised in respect of the losses. No deferred tax has been recognised in respect of the remaining £4,660,000 (2021: £3,551,000) due to the uncertainty of future profit streams. Losses may be carried forward and offset against future profits of the Company.

15. Share capital

	2022 £000	2021 £000
Allotted, called up and fully paid		
2 (2021: 2) ordinary shares of £1.00 each	-	-

RENEWI PFI INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

16. Contingent liabilities

The Company is a member of a HMRC Group VAT registration and as at 31 March 2022 the liability under this registration was £1,422,000 (2021: liability of £971,000).

The Company is also a member of a HMRC Group Payment arrangement for corporation tax and as at 31 March 2022 had a contingent liability of £nil (2021: £nil) under this arrangement.

In respect of contractual liabilities, the Company, along with other fellow group undertakings, has given guarantees and entered into counter indemnities of bonds and guarantees given on their behalf by sureties and banks totalling £148,599,000 (2021: £156,870,000).

The Company has given an unlimited guarantee in respect of the Group's retail bonds totalling £253,485,000 (2021: £149,076,000).

The Company has granted to its bankers an unlimited guarantee and a right of set off against amounts outstanding on advances to its parent and fellow subsidiary undertakings. As at 31 March 2022 the Group borrowings for which this Company was a co-guarantor were £33,798,000 (2021: £178,910,000).

17. Related parties

Wakefield Waste PFI Limited

The Company holds 50.001% of the share capital of Wakefield Waste PFI Limited via an intermediary holding Company Wakefield Waste Holdings Limited.

Resource Recovery Solutions (Derbyshire) Holdings Limited

The Company holds 50% of the share capital of Resource Recovery Solutions (Derbyshire) Limited via an intermediary holding Company Resource Recovery Solutions (Derbyshire) Holdings Limited.

Resource Recovery Solutions (Derbyshire) Limited and Resource Recovery Solutions (Derbyshire) Holdings Limited went into administration on 4 September 2019.

The Company has taken advantage of the exemption under FRS 101 not to disclose transactions with key management personnel or companies which are wholly owned within the Renewi plc group.

18. Ultimate parent company and parent company of larger group

The Company's immediate and ultimate parent undertaking and controlling party is Renewi plc, a company incorporated in Scotland. Renewi plc is the only Company to consolidate these financial statements at 31 March 2022. The consolidated financial statements of Renewi plc can be obtained from the Company Secretary, Renewi plc, 16 Charlotte Square, Edinburgh, United Kingdom, EH2 4DF.