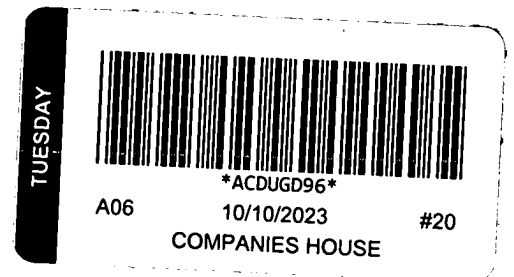


Company registration number 06544559 (England and Wales)

**WP MIDCO1 LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**



# WP MIDCO1 LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	A Griffith E Wieffering H Copestick
<b>Company number</b>	06544559
<b>Registered office</b>	Profile West 950 Great West Road Brentford Middlesex TW8 9ES
<b>Independent Auditors</b>	PricewaterhouseCoopers LLP 40 Clarendon Road Watford Hertfordshire WD17 1JJ

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# **WP MIDCO1 LIMITED**

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# WP MIDCO1 LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2022

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The directors present their annual report and audited financial statements for the year ended 31 December 2022.

#### Going concern

The Company benefits from an undertaking that the Group will provide the working capital and funding necessary for the Company to continue its operations for the foreseeable future.

The Group continues to be financed by a combination of debt and equity funding, with total bank debt including interest payable of £509.2m (2021: £541.1m), preference shares including accrued interest of £356.3m (2021: £315.0m) and finance lease obligations of £31.5m (2021: £29.9m) at 31 December 2022. In addition, at 31 December 2022 the Group has undrawn committed revolving credit facilities of £60.0m (2021: £60.0m) and a drawn committed acquisition facilities of €20.0m (2021: drawn €20.0m). The Group does not have bank debt or preference share repayment obligations to meet within the next 12 months, and neither does it have financial covenants to meet, except where the revolving credit facility is more than 40% drawn, which is not the case at 31 December 2022.

During February 2023, the Group refinanced its debt with an extension of the amount and maturity of the Revolving Credit Facility to £84.5m expiring in July 2026, and the term loan and acquisition facility debt being redenominated into separate drawings of £106.0m and €490.0m, maturing in January 2027. The interest rate on drawn debt is now 5.00% above EURIBOR for the Euro Debt and 5.75% above SONIA for the Sterling Debt.

There are clearly macro-economic challenges across the world – with high inflation, volatility in interest rates, volatility in oil prices and challenges in supply chains and labour markets, as well as geo-political risks with the potential for significant disruption. As a business with recurring revenues and low customer concentration, Safetykleen is well positioned to manage reasonable future scenarios, as evidenced by robust trading in 2020 at the peak of the Covid impact. The Group's financial position remains strong, with £66.7m operating cash generated in the year, £34.8m cash on the balance sheet at the 31 December 2022, and undrawn revolving credit facilities of £60.0m – subsequently extended to £84.5m, in February 2023. The £60.0m revolving credit facilities are subject to a covenant that the Group must have a net debt to EBITDA ratio of less than 9.25x if the facility is more than 40% drawn (the ratio at 31 December 2022 was 6.3x). There are no other financial covenants on the Group's bank facilities. This liquidity has been compared to financial projections for the Group using reasonable assumptions, and an assessment made of the headroom to manage a downside scenario. The financial projections over this period indicate a net cash position without the need to access the Group's revolving credit facilities, even when a downside scenario is assumed (being zero growth in our Book of Business, inflation of 3.5% in material and labour costs, revenue delivery from the Book of Business of 96% (against budget delivery of 98% for 2023), and a reduction of 5% in non-machine revenue). With the current liquidity position of the Group, and the strength of the business model, the Directors consider that it is appropriate to prepare the financial statements on a Going Concern basis.

The company has received a Letter of Support from its ultimate parent undertaking, Shilton Midco 2 Limited, confirming support to enable the company to meet its liabilities when they fall due for a period of at least 12 months from the date of approval of financial statements. With the current liquidity position of the Group, the robust performance of the business in 2022, and the strength of the business model, the Directors consider that it is appropriate to prepare the financial statements on a Going Concern basis.

#### Directors

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

A Griffith

E Wieffering

J Van Der Zanden

H Copstick

(Resigned 21 February 2022)

(Appointed 11 March 2022)

#### Results and dividends

The results for the year are set out on page 8. The Company's loss for the year is £91.6M (2021: £80.1M). The directors do not recommend the payment of a dividend (2021: £nil).

# **WP MIDCO1 LIMITED**

## **DIRECTORS' REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 DECEMBER 2022**

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#### **Directors' insurance**

The Group provided the Directors and Officers with liability insurance for the year. The insurance does not provide cover in the event that the director is provided to have acted fraudulently.

#### **Future developments**

The Company will continue in its role as a holding company for the foreseeable future.

#### **Independent auditors**

In accordance with the company's articles, a resolution proposing that PricewaterhouseCoopers LLP be reappointed as auditors of the company will be put at a General Meeting.

#### **Statement of directors' responsibilities in respect of the financial statements**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. 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.

#### **Directors' confirmations**

In the case of each director in office at the date the directors' report is approved:

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

#### **Financial risk management**

For information relating to the Group's financial risk management policy please refer to the consolidated financial statements of the ultimate parent company. The consolidated financial statements of Shilton Midco 2 Limited can be obtained from Companies House, Crown Way, Cardiff, Wales, CF14 3UZ.

#### **Conflict in Ukraine**

Management have assessed the impact of the conflict between Russia and Ukraine to the financial position of the Company. It has been concluded that at present these events are not expected to affect the Company's ability to continue as a going concern for a period of at least 12 months from the signing of these financial statements. The developing and uncertain situation in respect of the conflict between Russia and Ukraine continues to be closely monitored.

# **WP MIDCO1 LIMITED**

## **DIRECTORS' REPORT (CONTINUED)**


**FOR THE YEAR ENDED 31 DECEMBER 2022**

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### **Strategic report**

The company has taken advantage of section 414B of the Companies Act 2006 not to include a strategic report in these financial statements. This report has been prepared in accordance with the special provisions relating to small companies with part 15 of the Companies Act of 2006.

On behalf of the board

  
Andrew Griffith (Oct 6, 2023 12:30 GMT+1)

A Griffith  
Director

6 October 2023  
Date

# Independent auditors' report to the members of WP Midco1 Limited

## Report on the audit of the financial statements

### Opinion

In our opinion, WP Midco1 Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the balance sheet as at 31 December 2022; the profit and loss account and the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

### Basis for opinion

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

### Independence

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

### Conclusions relating to going concern

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.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

## **Reporting on other information**

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

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

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

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

### **Directors' Report**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

## **Responsibilities for the financial statements and the audit**

### **Responsibilities of the directors for the financial statements**

As explained more fully in the Statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditors' responsibilities for the audit of the financial statements**

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

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



Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to compliance with tax legislation and the Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. 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 accounting entries to manipulate financial results and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- discussions with management and those charged with governance, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- evaluation of management's controls designed to prevent and detect irregularities;
- auditing the risk of management override of controls, including through testing journal entries;
- reviewing minutes of meetings of those charged with governance; and
- designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

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

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

### **Use of this report**

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

## **Other required reporting**

### **Companies Act 2006 exception reporting**


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

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

We have no exceptions to report arising from this responsibility.

### **Entitlement to exemptions**

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Emma Sowerby (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Watford  
6 October 2023

# WP MIDCO1 LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2022

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		Year ended 31 December 2022 £'000	Year ended 31 December 2021 £'000
	Note		
Interest payable and similar expenses	5	(91,600)	(80,147)
<b>Loss before taxation</b>		(91,600)	(80,147)
Tax on loss	6	-	-
<b>Loss for the financial year</b>		<u>(91,600)</u>	<u>(80,147)</u>

There are no recognised gains or losses other than those passing through the profit and loss account. Consequently a statement of comprehensive income has not been prepared.

# WP MIDCO1 LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2022

	Note	£'000	2022 £'000	£'000	2021 £'000
<b>Fixed assets</b>					
Investments	7		267,900		267,900
<b>Current assets</b>					
Debtors	9	2,090		2,090	
		<u>2,090</u>		<u>2,090</u>	
<b>Creditors: amounts falling due within one year</b>	10	<u>(2,090)</u>		<u>(2,090)</u>	
<b>Net current assets</b>			-		-
<b>Total assets less current liabilities</b>			<u>267,900</u>		<u>267,900</u>
<b>Creditors: amounts falling due after more than one year</b>	11		(778,152)		(686,552)
<b>Net liabilities</b>			<u>(510,252)</u>		<u>(418,652)</u>
<b>Capital and reserves</b>					
Called up share capital	12		1,000		1,000
Profit and loss account			<u>(511,252)</u>		<u>(419,652)</u>
<b>Total equity</b>			<u>(510,252)</u>		<u>(418,652)</u>

The notes on pages 11 to 19 form an integral part of these financial statements.

The financial statements were approved by the board of directors and authorised for issue on 6 October 2023 and are signed on its behalf by:

  
Andrew Griffith (Oct 6, 2023 12:38 GMT+1)

A Griffith  
Director

Company Registration No. 06544559

# WP MIDCO1 LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

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	Called up share capital £'000	Profit and loss reserves £'000	Total £'000
Balance at 1 January 2021	1,000	(339,505)	(338,505)
Year ended 31 December 2021:			
Loss for the financial year	-	(80,147)	(80,147)
Balance at 31 December 2021	1,000	(419,652)	(418,652)
Year ended 31 December 2022:			
Loss for the financial year	-	(91,600)	(91,600)
Balance at 31 December 2022	1,000	(511,252)	(510,252)

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# WP MIDCO1 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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### 1 Accounting policies

#### Company information

WP Midco1 Limited is a private company limited by shares incorporated in England and Wales. The registered office is Profile West, 950 Great West Road, Brentford, Middlesex, TW8 9ES.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

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 £'000.

The financial statements have been prepared under the historical cost convention. The principal accounting policies, which have been applied consistently, except as otherwise stated, are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The company is a wholly owned subsidiary of WP Safety-Kleen Limited, and of its ultimate parent, Shilton Midco 2 Limited. It is included in the consolidated financial statements of Shilton Midco 2 Limited which are publicly available. The company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements. The ultimate parent undertaking and the smallest and largest group to consolidate these financial statements is Shilton Midco 2 Limited. The address of the parent's registered office is Profile West, 950 Great West Road, Brentford, Middlesex, TW8 9ES.

# WP MIDCO1 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

### 1 Accounting policies

(Continued)

#### 1.2 Going concern

The Company benefits from an undertaking that the Group will provide the working capital and funding necessary for the Company to continue its operations for the foreseeable future.

The Group continues to be financed by a combination of debt and equity funding, with total bank debt including interest payable of £509.2m (2021: £541.1m), preference shares including accrued interest of £356.3m (2021: £315.0m) and finance lease obligations of £31.5m (2021: £29.9m) at 31 December 2022. In addition, at 31 December 2022 the Group has undrawn committed revolving credit facilities of £60.0m (2021: £60.0m) and a drawn committed acquisition facilities of €20.0m (2021: drawn €20.0m). The Group does not have bank debt or preference share repayment obligations to meet within the next 12 months, and neither does it have financial covenants to meet, except where the revolving credit facility is more than 40% drawn, which is not the case at 31 December 2022.

During February 2023, the Group refinanced its debt with an extension of the amount and maturity of the Revolving Credit Facility to £84.5m expiring in July 2026, and the term loan and acquisition facility debt being redenominated into separate drawings of £106.0m and €490.0m, maturing in January 2027. The interest rate on drawn debt is now 5.00% above EURIBOR for the Euro Debt and 5.75% above SONIA for the Sterling Debt.

There are clearly macro-economic challenges across the world – with high inflation, volatility in interest rates, volatility in oil prices and challenges in supply chains and labour markets, as well as geo-political risks with the potential for significant disruption. As a business with recurring revenues and low customer concentration, Safetykleen is well positioned to manage reasonable future scenarios, as evidenced by robust trading in 2020 at the peak of the Covid impact. The Group's financial position remains strong, with £66.7m operating cash generated in the year, £34.8m cash on the balance sheet at the 31 December 2022, and undrawn revolving credit facilities of £60.0m - subsequently extended to £84.5m, in February 2023. The £60.0m revolving credit facilities are subject to a covenant that the Group must have a net debt to EBITDA ratio of less than 9.25x if the facility is more than 40% drawn (the ratio at 31 December 2022 was 6.3x). There are no other financial covenants on the Group's bank facilities. This liquidity has been compared to financial projections for the Group using reasonable assumptions, and an assessment made of the headroom to manage a downside scenario. The financial projections over this period indicate a net cash position without the need to access the Group's revolving credit facilities, even when a downside scenario is assumed (being zero growth in our Book of Business, inflation of 3.5% in material and labour costs, revenue delivery from the Book of Business of 96% (against budget delivery of 98% for 2023), and a reduction of 5% in non-machine revenue). With the current liquidity position of the Group, and the strength of the business model, the Directors consider that it is appropriate to prepare the financial statements on a Going Concern basis.

The company has received a Letter of Support from its ultimate parent undertaking, Shilton Midco 2 Limited, confirming support to enable the company to meet its liabilities when they fall due for a period of at least 12 months from the date of approval of financial statements. With the current liquidity position of the Group, the robust performance of the business in 2022, and the strength of the business model, the Directors consider that it is appropriate to prepare the financial statements on a Going Concern basis.

# WP MIDCO1 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 1 Accounting policies

(Continued)

#### 1.3 Investment

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.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

#### 1.4 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and 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 instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.



# WP MIDCO1 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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### 1 Accounting policies

(Continued)

#### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **1.6 Equity instruments**

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

#### **1.7 Interest income and expense**

Interest income and expense is recognised in the profit and loss account using the effective interest method.

### 2 Judgements and key sources of estimation uncertainty

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

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

#### **Impairment of investments**

FRS 102 requires management to estimate the recoverable amount of an asset or group of assets. Recoverable amount represents the higher of value in use and fair value less costs to sell.

Value in use represents the net present value of the cash flows expected to arise from an asset or group of assets and its calculation requires management to estimate those cash flows and to apply a discount rate to them.

Cash flows are estimated by applying assumptions to budget sales, costs and overheads over a five year forecast period and by applying a perpetuity growth rate to the future forecast cashflows.

Cash flows are discounted using a discount rate based on the Group's weighted average cost of capital adjusted for risks specific to the asset or group of assets. The weighted average cost of capital is affected by estimates of interest rates, equity returns and market and country related risks.

At 31 December 2022 the carrying value of investments is disclosed in note 7. Based on management's assessment and judgement, there are no indications of impairment or changes in circumstances indicating that the carrying value of its investments may not be recoverable. If cash flow or discount rate assumptions were to change, impairment losses may be recognised in the future.

## WP MIDCO1 LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

#### 3 Auditors' remuneration

	2022 £'000	2021 £'000
During the year the Company obtained the following services from its auditors PricewaterhouseCoopers LLP, at costs detailed below:		

##### For audit services

Audit of the financial statements of the company	2	2
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The audit fee for the year is borne by Safetykleen Group Services Limited, a fellow subsidiary undertaking.

#### 4 Employee information and directors' emoluments

The Company has no employees (2021: none).

The directors are directors of a number of companies within the Group headed by Shilton Midco 2 Limited. The remuneration of the directors during the reporting year was borne by Safetykleen Group Services Limited, a fellow subsidiary undertaking.

The Directors received no compensation for qualifying services provided to the Company during the year (2021: £ nil).

No (2021: none) director has retirement benefits accruing under money purchase pension schemes.

#### 5 Interest payable and similar expenses

	2022 £'000	2021 £'000
Interest payable to group undertakings	91,600	80,147

# WP MIDCO1 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 6 Tax on loss

The actual charge for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2022 £'000	2021 £'000
Loss before taxation	(91,600)	(80,147)
Expected tax credit based on the standard rate of corporation tax in the UK of 19% (2021: 19%)	(17,404)	(15,228)
Tax effect of utilisation of tax losses not previously recognised	(1,830)	-
Unutilised tax losses carried forward	937	-
Group relief	18,297	15,228
Taxation charge for the year	-	-

The main rate of UK corporation tax remained constant at 19% (2021:19%).

Deferred tax assets of £4.2m (2021: £3.9m) and £64.5m (2021: £64.5m) relating to restricted interest deductions and accrued, but unpaid, shareholder loan interest respectively have not been recognised due to uncertainty whether sufficient future qualifying income will arise against which these interest charges can be offset for tax purposes.

#### 7 Investments

	Note	2022 £'000	2021 £'000
Investments in subsidiaries	8	267,900	267,900

#### Movements in investments

	Investments in subsidiaries £'000
<b>Cost or valuation</b>	
At 1 January 2022 & 31 December 2022	267,900
<b>Carrying amount</b>	
At 31 December 2022	267,900
At 31 December 2021	267,900

# WP MIDCO1 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

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#### 8 Subsidiaries

The Company owns 100% of the ordinary share capital of WP Midco2 Limited, an intermediate holding company incorporated in the United Kingdom. The registered office of WP Midco2 Limited is Profile West, 950 Great Western Road, Brentford, Middlesex, TW8 9ES.

Details of the company's subsidiaries at 31 December 2022 are as follows (Company name - Country of incorporation - Principal Activity):

**WP Midco2 Limited** - United Kingdom - Holding company  
**WP Midco3 Limited** - United Kingdom - Holding company  
**Safetykleen Group Services Limited** - United Kingdom - Holding company  
**WP SK France Limited** - United Kingdom - Holding company  
**WP SK Holdings Limited** - United Kingdom - Holding company  
**WP SK Midco Limited** - United Kingdom - Holding company  
**WP SK Limited** - United Kingdom - Holding company  
**Safety-Kleen Europe Limited** - United Kingdom - Holding company  
**Safety-Kleen UK (Europe) Limited** - United Kingdom - Holding company  
**Safety-Kleen UK (France) Limited** - United Kingdom - Holding company  
**Safety-Kleen UK Limited** - United Kingdom - Parts washing and chemical application services  
**Parts Wash Limited** - United Kingdom - Dormant company  
**Parts Wash UK Limited** - United Kingdom - Dormant company  
**QED Chemical Solutions Limited** - United Kingdom - Dormant company  
**Technowash Limited** - United Kingdom - Machine Manufacturer  
**WP Safety-Kleen Spain SL** - Spain - Holding company  
**Safety-Kleen España SA** - Spain - Parts washing and chemical application services  
**WP SK France SAS** - France - Holding company  
**Safety-Kleen France Services SAS** - France - Holding company  
**Safety-Kleen France Sarl** - France - Parts washing and chemical application services  
**WP SK Italy Srl** - Italy - Holding company  
**Safety-Kleen Italia Spa** - Italy - Parts washing and chemical application services  
**SKD Holdings GmbH** - Germany - Holding company  
**Safety-Kleen Beteiligungs GmbH** - Germany - Holding company  
**Safety-Kleen Deutschland GmbH** - Germany - Parts washing and chemical application services  
**Safety-Kleen Grundbesitz GmbH** - Germany - Holding company  
**Orm Bergold Chemie GmbH & Co KG** - Germany - Waste collection and recycling  
**Orm Chemie GmbH** - Germany - Holding company  
**Safetykleen Portugal Solventes e Gestão de Resíduos, SA** - Portugal - Parts washing and chemical application services  
**Safety-Kleen Ireland Limited** - Ireland - Parts washing and chemical application services  
**Safety-Kleen Belgium SA** - Belgium - Parts washing and chemical application services  
**Safety-Kleen (Netherlands) BV** - Netherlands - Holding company  
**Safety-Kleen Hungary KFT** - Hungary - Parts washing and chemical application services  
**Co-Ba 2000 KFT** - Hungary - Parts washing and chemical application services  
**Safety-Kleen Slovakia s.r.o.** - Slovakia - Parts washing and chemical application services  
**Safety Kleen CZ. s.r.o.** - Czech Republic - Parts washing and chemical application services  
**Safety-Kleen Parça Temizlik Hizmetleri Limited** - Turkey - Parts washing and chemical application services  
**Global Kleen HK Limited** - Hong Kong - Parts washing and chemical application services  
**Global Kleen Guangzhou Parts Washer Limited** - China - Parts washing and chemical application services  
**Servicekleen do Brasil Ltda** - Brazil - Parts washing and chemical application services

All the companies are 100% owned within the Group.

# WP MIDCO1 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

### 9 Debtors

	2022 £'000	2021 £'000
<b>Amounts falling due within one year:</b>		
Amounts owed by group undertakings	2,090	2,090

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

### 10 Creditors: amounts falling due within one year

	2022 £'000	2021 £'000
Amounts owed to group undertakings	2,090	2,090

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

### 11 Creditors: amounts falling due after more than one year

	2022 £'000	2021 £'000
Amounts owed to group undertakings	778,152	686,552

The unsecured loan notes are owed to subsidiary undertakings and have no fixed maturity date. Interest compounding on a daily basis is charged to the profit and loss account at either 11% or 20% (2021: 11% or 20%) but is not payable until redemption.

### 12 Called up share capital

	2022 £'000	2021 £'000
<b>Allotted, called up and fully paid</b>		
1,000,000 (2021: 1,000,000) ordinary shares of £1 each	1,000	1,000
	1,000	1,000

### 13 Ultimate parent company and ultimate controlling party

The Company's immediate parent company WP Safety-Kleen Limited a company incorporated in the United Kingdom. Shilton Midco 2 Limited is the Company's ultimate parent undertaking and controlling party and is the largest and the smallest group of which the Company is a member and for which consolidated financial statements are prepared. The consolidated financial statements of Shilton Midco 2 Limited can be obtained from Companies House, Crown Way, Cardiff, Wales, CF14 3UZ.

The Group, headed by Shilton Midco 2 Limited, is a portfolio company of APAX IX GP Co Limited funds (the "APAX IX funds") advised and managed by Apax Partners LLP, a private equity firm organised in Luxembourg.

# **WP MIDCO1 LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2022***

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### **14 Events after the reporting date**

There are no post balance sheet events which require disclosure.