



**Viridor Energy (Investments) Limited**  
**Annual Report and Financial Statements**  
**for the Period from 15 July 2021 to 31 March 2022**



# **Viridor Energy (Investments) Limited**

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## **Viridor Energy (Investments) Limited**

### **Strategic Report for the period from 15 July 2021 to 31 March 2022**

The directors present their strategic report for the period from 15 July 2021 to 31 March 2022.

#### **PRINCIPAL ACTIVITIES**

The principal activity of the company is as a holding company for a group of companies engaged in operating established Energy Recovery Facilities (ERFs).

#### **BUSINESS REVIEW**

##### **Financial results**

The Company was incorporated on 15th July 2021. As part of a corporate restructure in December 2021, the Company received dividends of £2,471,771,000. A subsequent impairment in the investments in subsidiaries of £995,013,000 was then transacted, leaving the carrying value of the investments at a supportable level. There were no other income statement transactions in the period.

##### **Investment**

The Company is committed to ensuring the facilities and equipment used in its operations continue to meet the highest environmental standards.

##### **Financing**

Significant funding facilities are in place to cover both medium and long-term requirements, including finance leasing and loans from the parent companies and or fellow subsidiaries. The Directors confirm that the Company can meet its short-term requirements from existing facilities without breaching covenants or other borrowing restrictions.

##### **Dividends and reserves**

Interim dividends totalling £2,471,771,000 were paid in the year . The Directors do not recommend the payment of a final dividend.

The transfer to retained earnings for the year was £1,476,758,000.

The balance in retained earnings at 31 March 2022 is £3,004,987,000.

##### **Principal risks and uncertainties**

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Viridor Group and are not separately managed. Accordingly, the principal risks and uncertainties of Viridor Limited, which include those of the Company, are discussed on pages 8 to 11 of Viridor Limited's Annual Report and Financial Statements which does not form part of this Report.

##### **Financial risk management**

The Company's activities expose it to a variety of financial risks; market risk (interest rate risk), liquidity risk and credit risk. Further information on the Company's management of these risks is given in note 3 of these financial statements.

##### **Key performance indicators ('KPI's)**

The directors of Viridor Limited (the smallest Group in which these financial statements are consolidated), manage the Viridor Group's operations on a fully integrated basis. For this reason, the Company's Directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of the Company. The development, performance and position of the Viridor Group's operations, including those of the Company, are discussed on pages 2 to 6 of Viridor Limited's Annual Report and Accounts which does not form part of this Report.

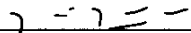
## **Viridor Energy (Investments) Limited**

### **Strategic Report for the period from 15 July 2021 to 31 March 2022 (continued)**

#### **FUTURE DEVELOPMENTS**

As a holding company, the future development of the business is linked to the performance and development of its subsidiary undertakings. The group is well placed to take advantage of the developing market for delivering efficiencies in energy from waste initiatives and it continues to seek development opportunities in this important market.

The Strategic Report was approved by the Board and authorised for issue on 19 December 2022 and signed on its behalf by:

  
.....  
N/Maddock Dec 19 2022 12:30 PM

N Maddock  
Director

## **Viridor Energy (Investments) Limited**

### **Directors' Report for the Period from 15 July 2021 to 31 March 2022**

The directors present their report and the unaudited financial statements for the period from 15 July 2021 to 31 March 2022.

The Directors' Report is prepared in accordance with the provisions of the Companies Act 2006 and regulations made thereunder. It comprises pages 3 to 4 as well as any matters incorporated by reference.

Information regarding Viridor, including events and its progress during the year, events since the year-end and likely future developments is contained in the strategic report set out on pages 1 to 2.

In addition, and in accordance with s414C of the Companies Act 2006, the strategic report contains a fair, balanced and comprehensive review and analysis of the development and performance of the Company's business during the year and the position of the Company's business at the end of the year.

#### **Parent company**

The Company is a direct subsidiary of Viridor Waste Limited. Its ultimate parent company is KKR Planets Aggregator L.P.

The subsidiaries of the Company are listed in note 5 to the financial statements on page 13.

#### **Directors**

The directors, who held office during the period, were as follows:

N Maddock (appointed 15 July 2021)

K Bradshaw (appointed 15 July 2021)

A Bhuwania (appointed 31 January 2022)

D Archer (appointed 31 January 2022)

#### **Directors' insurance and indemnities**

The Directors have the benefit of the indemnity provisions contained in the Company's Articles and the Company has maintained throughout the year Directors' and Officers' liability insurance for the benefit of the Company, the Directors and its Officers. The Company has entered into qualifying third party indemnity arrangements for the benefit of all its Directors in a form and scope which comply with the requirements of the Companies Act 2006 and which were in force throughout the year and remain in force.

#### **Employment policies and employee involvement**

The Company has no employees. Services provided by the Company were undertaken by employees of Viridor Waste Limited (a fellow subsidiary of Viridor Limited, the smallest Group in which these financial statements are consolidated). Policies relating to the training and development in the affairs, policy and performance of the Company can be found in the financial statements of Viridor Limited.

#### **Donations**

No political donations were made or political expenditure incurred.

#### **Going concern**

The financial statements have been prepared on the going concern basis due to the continued financial support of the intermediate parent company, Viridor Limited. The directors of Viridor Limited confirm that it is their intention to support the company in meeting all its financial obligations as they fall due for a period of at least 12 months from the date of signing the balance sheet.

#### **Events after the reporting period**

Events after the reporting date for the company are discussed in the future developments section of the Strategic report.

## Viridor Energy (Investments) Limited

### Directors' Report for the Period from 15 July 2021 to 31 March 2022 (continued)

#### Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

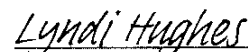
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) in conformity with the requirements of the Companies Act 2006. 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 in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information and provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the group and company financial position and financial performance ; 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.

Under applicable law and regulations, the directors are also responsible for preparing a strategic report and directors' report, that comply with that law and those regulations. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

The Directors' Report was approved by order of the Board on 19 December 2022 and signed on its behalf by:



Lyndi Hughes, Director, 19 December 2022

I. Hughes

Company secretary

**Viridor Energy (Investments) Limited****Income Statement for the Period from 15 July 2021 to 31 March 2022**

	<b>Note</b>	<b>2022 £ 000</b>
Impairment loss	5	<u>(995,013)</u>
<b>Loss before interest, tax, depreciation, amortisation and dividends</b>		<b>(995,013)</b>
Other operating income	4	<u>2,471,771</u>
<b>Operating profit</b>		<b><u>1,476,758</u></b>
<b>Profit before tax</b>		<b><u>1,476,758</u></b>
<b>Profit for the period</b>		<b><u><u>1,476,758</u></u></b>

**Viridor Energy (Investments) Limited**

**Statement of Comprehensive Income for the Period from 15 July 2021 to 31 March 2022**

	2022 £ 000
Profit for the period	<u>1,476,758</u>
<b>Total comprehensive income for the period</b>	<b><u>1,476,758</u></b>



**Viridor Energy (Investments) Limited**  
**(Registration number: 13513326)**  
**Statement of Financial Position as at 31 March 2022**

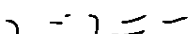
		<b>31 March 2022</b>
	<b>Note</b>	<b>£ 000</b>
<b>Assets</b>		
<b>Non-current assets</b>		
Investments in subsidiaries	5	<u>3,004,987</u>
<b>NET ASSETS</b>		<u><b>3,004,987</b></u>
<b>Equity</b>		
Retained earnings		<u>3,004,987</u>
<b>TOTAL EQUITY</b>		<u><b>3,004,987</b></u>

For the financial period ending 31 March 2022 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the period in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

Approved by the Board on 19 December 2022 and signed on its behalf by:

  
 N Maddock < Doc: 13513326-12-19-GMT

N Maddock  
 Director

**Viridor Energy (Investments) Limited****Statement of Changes in Equity for the Period from 15 July 2021 to 31 March 2022**

	<b>Share capital £ 000</b>	<b>Share premium £ 000</b>	<b>Retained earnings £ 000</b>	<b>Total £ 000</b>
Profit for the period	-	-	1,476,758	1,476,758
Total comprehensive income	-	-	1,476,758	1,476,758
Dividends	-	-	(2,471,771)	(2,471,771)
New share capital subscribed	-	4,000,000	-	4,000,000
Share premium reduction	-	(4,000,000)	4,000,000	-
<b>At 31 March 2022</b>	<b>-</b>	<b>-</b>	<b>3,004,987</b>	<b>3,004,987</b>

The Company was incorporated on 15 July 2021 with £1 share capital.

**Viridor Energy (Investments) Limited****Statement of Cash Flows for the Period from 15 July 2021 to 31 March 2022****2022**  
**£ 000****Cash flows from operating activities**

Profit for the period	1,476,758
<i>Adjustments to cash flows from non-cash items:</i>	
Dividends received	(2,471,771)
Impairment of investments	995,013
Net cash flow from operating activities	-

**Cash flows from investing activities**

Acquisition of subsidiaries	(4,000,000)
Dividends received	2,471,771
Net cash flows from investing activities	(1,528,229)

**Cash flows from financing activities**

Proceeds from issue of ordinary shares, net of issue costs	4,000,000
Dividends paid	(2,471,771)
Net cash flows from financing activities	1,528,229
Net increase/(decrease) in cash and cash equivalents	-
Cash and cash equivalents at 15 July	-
Cash and cash equivalents at 31 March	-

## **Viridor Energy (Investments) Limited**

### **Notes to the Unaudited Financial Statements for the Period from 15 July 2021 to 31 March 2022**

#### **1 General information**

*The company is a private company limited by share capital, incorporated and domiciled in England.*

The address of its registered office is:

Viridor House  
Priory Bridge Road  
Taunton  
Somerset  
TA1 1AP  
United Kingdom

The nature of the Company's operations include as a holding company for a group of companies engaged in operating established Energy Recovery Facilities (ERFs).

These financial statements were authorised for issue by the Board on 19 December 2022.

#### **2 Accounting policies**

##### **Statement of compliance**

The company financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

##### **Basis of preparation**

The financial statements have been prepared in accordance with adopted IFRSs and under historical cost accounting rules.

*The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies.*

These financial statements are presented in pound sterling, which is the Company's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

##### **Going concern**

As noted in the Directors Report, the financial statements have been prepared on a going concern basis.

##### **Basis of consolidation**

The Company is exempt under the provisions of Section 400 of the Companies Act 2006 from the requirement to produce group financial statements as it is a wholly owned subsidiary of Viridor Limited which is established in the United Kingdom and which itself produces consolidated financial statements. Accordingly the financial statements are presented for the Company as an individual undertaking. Group financial statements are included in the Annual Report of Viridor Limited which is available from Viridor House, Priory Bridge Road, Taunton, Somerset, TA1 1AP.

##### **New standards, interpretations and amendments not yet effective**

There were no new standards or interpretations, which were mandatory for the first time in the period beginning 15 July 2021 that had an impact on the net assets or results of the Company.

New standards or interpretations due to be adopted from 1 April 2022 are not expected to have a material impact on the Company's net assets or results. Existing borrowing covenants are not impacted by changes in accounting standards.

##### **Taxation**

The Company is part of the Viridor Limited Group for tax purposes and accordingly may use the tax group relief provisions, whereby current tax liabilities can be offset by current tax losses arising in other companies within the same tax group. Payments for group relief are included within the current tax disclosures.

##### **Investment in subsidiary undertakings**

## **Viridor Energy (Investments) Limited**

### **Notes to the Unaudited Financial Statements for the Period from 15 July 2021 to 31 March 2022 (continued)**

#### **2 Accounting policies (continued)**

Investments in subsidiary undertakings are initially recorded at cost, being the fair value of the consideration paid. Subsequently, investments are reviewed for impairment on an individual basis annually or if events or changes in circumstances indicate that the carrying value may not be fully recoverable.

An impairment loss is recognised for the amount by which the investment's carrying amount exceeds the lower of the subsidiary's net asset value or its recoverable amount. The recoverable amount is the higher of the investment's fair value, less costs to sell and value in use. Value in use represents the present value of projected future cash flows expected to be derived from the subsidiary undertaking, discounted using a pre-tax discount rate appropriate to the relevant subsidiary.

#### **Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

#### **Dividends**

Dividend distribution to the company's shareholders is recognised as a liability in the company's financial statements in the period in which the dividends are approved by the company's shareholders.

## **Viridor Energy (Investments) Limited**

### **Notes to the Unaudited Financial Statements for the Period from 15 July 2021 to 31 March 2022 (continued)**

#### **3 Taxation**

UK corporation tax is calculated at 19% of the estimated assessable profit before tax for the year.

##### **Reconciliation of total tax charge:**

The total tax for the year differs from the theoretical amount that would arise using the standard rate of Corporation tax in the UK of 19% as follows:

	<b>2022 £ 000</b>
Profit before tax	<u>1,476,758</u>
Tax calculated at the standard rate of UK Corporation tax of 19%	280,584
Increase (decrease) from effect dividends from UK companies	(469,637)
Other tax effects for reconciliation between accounting profit and tax expense (income)	<u>189,053</u>
Total tax charge/(credit)	<u>-</u>

#### **4 Other operating income**

##### **Dividends received**

	<b>31 March 2022 £ 000</b>
<i>Amounts recognised as distributions by subsidiary undertakings in the year:</i>	
Viridor Energy (Investments One) Limited	<u>2,471,771</u>
Total dividends received	<u>2,471,771</u>

## Viridor Energy (Investments) Limited

### Notes to the Unaudited Financial Statements for the Period from 15 July 2021 to 31 March 2022 (continued)

#### 5 Investments

<b>Subsidiaries</b>	<b>£ 000</b>
<b>Cost or valuation</b>	
Additions	<u>4,000,000</u>
At 31 March 2022	<u>4,000,000</u>
<b>Provision</b>	
Provision	<u>995,013</u>
At 31 March 2022	<u>995,013</u>
<b>Carrying amount</b>	
At 31 March 2022	<u><u>3,004,987</u></u>

Investments in subsidiaries are reviewed for impairment when any indicators of impairment are identified. An impairment charge has been recognised during the year following receipt of a dividend from a subsidiary. The carrying value at 31 March 2022 is based on the equity value of investments with an appropriate control premium.

## Viridor Energy (Investments) Limited

### Notes to the Unaudited Financial Statements for the Period from 15 July 2021 to 31 March 2022 (continued)

#### 5 Investments (continued)

Details of the subsidiaries as at 31 March 2022 are as follows:

Name of subsidiary	Principal activity	Country of incorporation and place of business	Proportion of ownership interest and voting rights held 2022	
Viridor Energy (Investments One) Limited*	Holding company	England**	100%	-
Viridor Energy (Investments Two) Limited	Holding company	England**	100%	-
Viridor Energy Investment Holding plc	Dormant	England**	100%	-
Viridor Energy Group Limited	Financing company	Jersey****	100%	-
Viridor Energy Limited	Waste management activities	England**	100%	-
Viridor Avonmouth Waste Services Limited	Energy from waste	England**	100%	-
Viridor Exeter Waste Services Limited	Energy from waste	England**	100%	-
Viridor Dunbar Waste Services Limited	Energy from waste	Scotland***	100%	-
Viridor Enviroscot Limited	Dormant	Scotland***	100%	-
Viridor Oxfordshire Limited	Energy from waste	England**	100%	-
Viridor Trident Park Limited	Energy from waste	England**	100%	-
Viridor EFW (Runcorn) Limited	Energy from waste	England**	100%	-
Viridor Peterborough Limited	Energy from waste	England**	100%	-
Viridor (Glasgow) Limited	Energy from waste	Scotland***	100%	-
Viridor South London Limited	Energy from waste	England**	100%	-
Viridor Clyde Valley Limited	Energy from waste	Scotland***	100%	-
Viridor Waste Atherton (Holdings) Limited	Dormant	England**	100%	-
Viridor Waste Atherton Limited	Dormant	England**	100%	-

\* indicates direct investment

\*\*The registered office for the companies listed above is:  
Viridor House, Priory Bridge Road, Taunton, Somerset, TA1 1AP.

\*\*\*The registered office for the companies listed above is:  
1 Exchange Crescent, Conference Square, Edinburgh, EH3 8UL.

\*\*\*\*The registered office for the companies listed above is:  
Second Floor Sir Walter Raleigh House, 48-50 Esplanade, St Helier, Jersey, JE2 3QB.



## Viridor Energy (Investments) Limited

### Notes to the Unaudited Financial Statements for the Period from 15 July 2021 to 31 March 2022 (continued)

#### 6 Share capital

##### Allotted, called up and fully paid shares

	31 March 2022	
	No.	£
Ordinary shares of £1 each	3	3
Preference shares of £1 each	<u>1</u>	<u>1</u>
	<u>4</u>	<u>4</u>

##### New shares allotted

During the period 1 Ordinary shares having an aggregate nominal value of £1 were allotted for an aggregate consideration of £1. Issued on incorporation.

During the period 2 Ordinary shares having an aggregate nominal value of £1 were allotted for an aggregate consideration of £4,000,000,000.

During the period 3 Preference shares having an aggregate nominal value of £1 were allotted for an aggregate consideration of £1.

#### 7 Parent and ultimate parent undertaking

The following information relates to the Group structure that existed at 31 March 2022.

The company's immediate parent was Viridor Waste Limited.

The ultimate parent was KKR Planets Aggregator L.P.

The most senior parent entity producing publicly available financial statements was Planets UK Midco Limited. These financial statements are available upon request from 11th floor, 200 Aldersgate Street, London, United Kingdom, EC1A 4HD

The ultimate controlling party is KKR Planets Aggregator L.P.

The parent of the smallest group in which these financial statements are consolidated is Viridor Limited, incorporated in England.

The address of Viridor Limited is:

Viridor House, Priory Bridge Road, Taunton, England, TA1 1AP

## **Viridor Energy (Investments) Limited**

### **Notes to the Unaudited Financial Statements for the Period from 15 July 2021 to 31 March 2022 (continued)**

#### **8 Non adjusting events after the financial period**

##### **Issue of shares and sale of non-controlling interests**

On 31 March 2022, Viridor Waste Limited (parent) entered into a formal sale agreement to sell 5% of the share capital of the Company to GCM (Cayman) Holdings Two L.P. The transaction completed on 11 April 2022 for consideration of £125.2m.

On 30 June 2022, Viridor Waste Limited (parent) entered into a formal sale agreement to sell 1.2% of the share capital of the Company to Equitix V Virtue Bideo Limited. The transaction completed on 8 July 2022 for consideration of £29.5m.

On 30 June 2022, Viridor Waste Limited (parent) entered into a formal sale agreement to sell 2.5% of the share capital of the Company to TeorpIM Unlisted Infrastructure Fund. The transaction completed on 7 July 2022 for consideration of £63.3m.

On 30 June 2022, Viridor Waste Limited (parent) entered into a formal sale agreement to sell 1.3% of the share capital of the Company to Equitix V Virtue Bideo Limited. The transaction completed on 8 July 2022 for consideration of £33.8m.

Following these transactions Viridor Waste Limited retained a 70% interest in the Company.

##### **Dividends**

On 30 June 2022, the Company, paid in full £31.3m, as an interim dividend to its shareholders.