

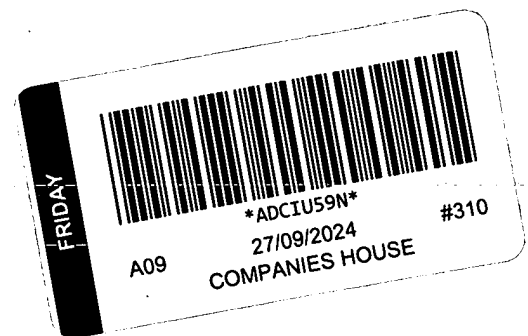
Registration number: 02456473



**Viridor Limited**

**Annual Report and Audited Financial Statements**

**for the Year Ended 31 March 2024**



## **Viridor Limited**

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## **Viridor Limited**

### **Company Information**

**Directors** K Bradshaw  
T Davies  
J Gordon  
I Wakelin  
M O Shafi Khan

**Company secretary** A Howson

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OX27 7AA

**Auditors** Ernst & Young LLP  
Statutory Auditor  
The Paragon  
Counterslip  
Bristol  
BS1 6BX

## **Viridor Limited**

### **Strategic Report for the Year Ended 31 March 2024**

The directors present their strategic report for the year ended 31 March 2024.

#### **PRINCIPAL ACTIVITY**

Viridor Limited (“the Company”) and its subsidiary companies (together “the Group” or “Viridor”) manage a substantial proportion of the UK’s waste. Through a fleet of Energy Recovery Facilities (ERF) and plastics recycling and reprocessing plants, our activity supports growth of a regenerative circular economy that seeks to keep resources in use for as long as possible and recover and regenerate materials at the end of their service life. The Group also seeks further development opportunities within the waste management sector to support the core strategic objectives.

ERFs are vital in supporting the UK’s ambition to reduce waste in an efficient and effective manner, helping to reduce the impact of waste on climate change. After reducing, reusing and recycling as much as possible, our ERFs across the UK provide the infrastructure to efficiently recover vital energy from residual waste, meaning landfill becomes the last resort.

Planets UK Midco Ltd includes the consolidated results of Viridor Limited, which includes all operating activity of the Group. Viridor Limited includes the consolidated results of Viridor Energy (Investments One) Limited, the “Energy Group”, which includes all of the ERFs.

#### **FINANCIAL YEAR HIGHLIGHTS**

Over the past year the Group has delivered some outstanding milestones in the development of the business. Our ESG commitment to being a net zero business by 2040 and building a route to fully circular plastics by 2025 is in lock step with our business strategy; with our decisions shaped by ESG and ESG informing our business focus. Strong financial performance enables our investment in new technologies and opportunities, and highlights of the year include:

Agreeing a statement of principles with the UK Government’s Department for Energy Security and Net Zero (DESNZ) to develop a Carbon Capture Plant at Runcorn which will be one of the world’s first carbon capture projects on an EfW facility. Developing Carbon Capture and Storage (CCS) at Runcorn will kick start a world leading carbon capture industry in the UK and this project alone will capture c.0.9m tonnes of CO<sub>2</sub> each year and create net additional impact to the UK economy of 1,300 person-years of employment in design and construction, and around 60 high-skilled permanent jobs in operation and maintenance.

Our ongoing commitment to circularity across the four major plastics progressed with the acquisition of Quantafuel ASA (now known as Quantafuel AS) in April 2023. The acquisition reflects Viridor’s ambition to lead recycling innovation with Quantafuel’s plastics to liquid process converting waste plastics into pyoil, an alternative to virgin fossil-fuel derived refined products. This material can then be used in the chemicals industry for the production of new plastics, replacing the need for new fossil fuel plastic and preventing the unnecessary burning of waste plastics. Quantafuel was de-listed from the Oslo Stock Exchange in February 2024.

The Group delivered a safer working environment for everyone with the all injury frequency rates again reducing by over 10% versus prior year, continuing to put HomeSafe front and centre of everything the Group does. We implemented a new divisional organisation structure in September 2023 with new leadership teams for the Energy and Polymer divisions. These divisions are in capable hands and the management teams are undoubtedly leading with ambition.

We are aiming to grow and further develop Viridor in line with our values. The construction of our new ERF at Westfield, a joint venture with Equitix is nearing completion and targeting first burn towards the end of the next financial year. We’ll take real pride in adding Westfield as our 12th facility in the ERF fleet and our third in Scotland. We’ve also broken ground with the development of an ERF at Tilbury Docks with enabling works underway.

## Viridor Limited

### Strategic Report for the Year Ended 31 March 2024 (continued)

#### FINANCIAL REVIEW

Viridor Limited is delivering sustainable growth in UK recycling and residual waste. With a de-risked infrastructure model, our revenues from operating assets are principally backed by long-term contracts.

#### Revenue

Statutory and Underlying £579.4 m (2023: £672.1 m)

#### Earnings before interest, tax, depreciation, amortisation, impairment and share of profit from joint ventures

Statutory £187.9 m (2023: £238.3 m)

Underlying £187.9 m (2023: £274.1 m)

#### Profit / loss before tax

Statutory Profit £153.6 m (2023: £167.2 m)

Underlying Profit £181.4 m (2023: £202.7 m)

Underlying earnings are presented alongside statutory results as the directors believe they assist users of the financial statements in measuring operating performance on a comparable basis, period to period and is a measure used by management in making financial, strategic and operating decisions. Note 6 to the financial statements provides further detail on non-underlying items, which are the difference between statutory and underlying performance measures.

#### Other key performance indicators:

	Metric	2024	2023
ERF availability	%	93	92
ERF tonnage processed and diverted from landfill	Tonnes	3,525,905	3,349,203
ERF energy exported	Gigawatt/hour	2,233	2,159
Total plastic input to be treated at plastics recycling facilities (PRF)	Tonnes	86,460	86,647
Total scope 1 & 2 emissions	t/CO2e	1,415,008	1,495,517
Carbon intensity	\$/£100k Revenue	244.2	220.3
All injuries (any injury which results from a work-related activity requiring first aid treatment or beyond)	Total number of injuries per 200,000 hours worked	5.17	6.21

#### Statutory financial performance

Viridor Limited's statutory results showed profit before tax of £153.6 million (2023: £167.2 million). The statutory results include the impact of non-underlying items totalling a net charge before tax of £27.8 million (2023: £35.5 million). The directors believe excluding non-underlying items provides a more useful comparison on business trends and performance.

#### Underlying financial performance

The Group has performed well, underpinned by strong Energy Group performance with increased plant availability of 93% (2023: 92%) and higher tonnage processed of 3.5 million tonnes (2023: 3.4 million tonnes). Electricity exported has also increased to 2,333 GWh (2023: 2,159 GWh) but electricity revenues have declined due to lower prices which has resulted in a year on year reduction in EBITDA. A significant portion of the Energy Group's waste management and electricity revenues are hedged using derivative financial instruments, principally inflation and power hedges which results in stable underlying financial performance. Viridor Limited's underlying revenues reduced by 13.8% to £579.4 million in the period (2023: £672.1 million).

The share of JV post-tax profit has increased by £25.5 million (178.6%) to £39.8 million this year.

#### Net finance costs

During the year net finance income were £30.4 million (2023: £3.7 million costs) including gains on derivative financial instruments of £86.8 million (2023: £15.8 million gains), service concession arrangement interest receivable of £13.6 million (2023: £13.5 million), interest income on loans to related parties of £11.5 million (2023: £42.8 million) and interest on borrowings of £80.2 million (2023: £74.5 million).

#### Non-underlying items

Non-underlying items for the year were a charge of £27.8 million before tax (2023: charge of £35.5 million) and a non-underlying tax charge of £nil (2023: charge of £nil) was recognised.

## Viridor Limited

### Strategic Report for the Year Ended 31 March 2024 (continued)

Further details are set out in note 6 to the financial statements.

#### Dividends

Viridor Limited paid dividends of £143.8 million during the year (2023: £2,147.2 million).

#### Capital investment

Viridor Limited's property, plant & equipment investments in the period were £33.3 million (2023: £26.6 million). The majority of the expenditure during the year relates to the further investment in the Group's ERF portfolio.

#### Liquidity and debt profile

Cash holdings were £145.5 million (2023: £157.5 million).

	Facility	Maturity	Amount drawn down
Senior:			
Private placement	£1,585m	March 2043	£1,558m
Facility A	£780m	December 2033	£662m
Facility B	£120m	September 2027	£120m
Revolving credit facility	£65m	December 2026	£15m
DSR Revolving credit facility	£65m	December 2026	£nil
Term Loan	£75m	March 2028	£75m

The current financial arrangements include a financial covenant requiring a minimum Debt Service Cover Ratio (DSCR) of 1.05x. The financial covenant is tested every half year on a rolling twelve months basis.

The Group defines Net Debt as total borrowings (including current and non-current borrowings as shown in the Consolidated Statement of Financial Position) less cash and cash equivalents.

	31 March 2024 £ m	31 March 2023 £ m
Current borrowings	95.8	69.7
Non-current borrowings	2,383.1	2,448.3
Less: Cash and cash equivalents	<u>(145.5)</u>	<u>(157.5)</u>
Net Debt	<u>2,333.4</u>	<u>2,360.5</u>

## **Viridor Limited**

### **Strategic Report for the Year Ended 31 March 2024 (continued)**

#### **OWNERSHIP STRUCTURE AND BOARD OF DIRECTORS**

##### **Ownership Structure**

At 31 March 2024, Viridor Limited was controlled by Kohlberg Kravis Roberts & Co. L.P. (“KKR”). KKR are invested primarily through investment funds, KKR Global Infrastructure III and KKR Global Impact.

KKR is a leading global investment firm, established in 1976, that offers alternative asset management as well as capital markets and insurance solutions. KKR’s Private Equity platform invests in and partners with industry-leading franchises and companies poised for significant improvement or growth that attract high-quality management teams. KKR made its investment into the Group through Planets UK Bidco Limited purchase of Viridor Limited in 2020..

##### **Board of Directors**

In October 2020, Kevin Bradshaw was appointed as Group CEO. Kevin brings over 20 years of senior leadership experience to Viridor having previously served as CEO of Northgate plc, CEO of Wyevale Garden Centres, MD of Avis Budget Group UK and MD of Enterprise Information, Reuters. Kevin brings a strong track record of delivering transformation and growth in complex, capital intensive businesses.

In June 2023, Omar Shafi Khan was appointed as Group CFO. Since 2015, he has been the CFO of 3 other private equity sponsored companies in the industrials and services sectors. Prior to 2015, Omar spent 16 years with Royal Dutch Shell where he worked across the energy value chain and in 75 countries across the globe.

In September 2020, Ian Wakelin was appointed as Chairman. Ian has 25+ years’ experience in the waste industry having been Chief Executive Officer of Biffa plc, leading the IPO of the business in 2016. He was previously co-founder and Chief Executive Officer of Greenstar UK, a waste management and recycling business which was acquired by Biffa plc in 2010 and brings a significant expertise in waste management to the company’s Board of Directors.

Tara Davies joined KKR in 2016 and is a Partner. She serves as Co-Head of KKR EMEA and Co-Head of European Infrastructure. Tara has spent over 20 years in the global infrastructure industry working in both Sydney and London. Prior to joining KKR, she was a senior managing director at Macquarie Group.

James Gordon joined KKR in 2018 and is a Partner on the Infrastructure team, focusing on investments across EMEA. Prior to joining KKR, James spent over a decade at Macquarie in London, where he was involved in a broad range of infrastructure transactions.

## Viridor Limited

### Strategic Report for the Year Ended 31 March 2024 (continued)

#### Section 172(1) statement

The directors are aware of their duty under section 172 of the Companies Act 2006 to act in a way which they consider in good faith, would be most likely to promote the success of the Company for the benefit of the members as a whole and, in doing so, have regard to the matters set out in section 172(1) (a) - (f). Examples of how the Board approaches its decision making, in light of its obligations under section 172, and ensuring wider stakeholder engagement, are set out below.

#### *The likely consequences of any decision in the long term*

Our strategic objectives, which are set and monitored through a rolling long-term strategic planning process, ensure we work towards achieving long term growth in a sustainable way. In approving the strategic objectives, we also consider a host of external factors, such as the evolving economic and market conditions, as well as considerations to a changing climate, stakeholder relationships and regulatory compliance.

The implementation of this approach is evident through the key decisions made over the course of the year ended 31 March 2024 where relevant assessments and considerations were performed.

The impact of long-term decisions is covered in the Operations, Vision and Strategy section within the Strategic Report.

#### *The interests of the Company's employees*

Committed to enhancing employee engagement, fostering diversity and inclusion, and ensuring a safe working environment, our efforts are prominently reflected in the outcomes of our employee engagement survey, as highlighted in our ESG Report. Notably, our dedication led to the prestigious accreditation as a Great Place to Work in both December 2022 and 2023, a milestone that now serves as a guiding principle for decisions that affect our people.

We place significant emphasis on nurturing emerging talent and enhancing leadership capabilities among our employees. Throughout the year, we have organised numerous leadership events and provided coaching opportunities for both individuals and groups across the organisation.

Recognising the importance of relationships and collaboration in driving business success, Viridor hosted its 2nd Viridor football World Cup during the year ended 31 March 2024. This event brought together 12 teams from various departments, offering a break from daily routines and fostering camaraderie among colleagues.

Ensuring the health and safety of our workforce is not only a top priority but also ingrained in every strategic decision we make. Our SHEQS (Safety, Health, Environment, Quality, and Security) Director's presence at board meetings underscores our unwavering commitment to maintaining a safe working environment across all facets of our business operations. We were proud to receive a RoSPA Silver Award for our health & safety achievements.

Details of initiatives can be found in the People, Social and Environmental section within the Strategic Report.

#### *The need to foster the company's business relationships with suppliers, customers and others*

We demonstrate continued commitment to delivering quality of service, value for money and satisfaction to our customers. We continue to foster key strategic and commercial relationships with our supply chain partners, with a focus on quality and sustainability, and focused delivery across the entire supply chain.

We have open dialogue and transparent engagement with our regulatory bodies, policy makers and other stakeholders who shape our social contract.

## **Viridor Limited**

### **Strategic Report for the Year Ended 31 March 2024 (continued)**

#### *The impact of the Company's operations on the community and the environment*

We are deeply committed to enriching communities in the regions where we operate through a range of educational programs, charity support initiatives, and outreach events. Our dedication extends to providing educational opportunities for schools and local groups through our education centres, where they can learn about our operations and actively engage with our activities.

This year we introduced the 'We Share' Community and Match Funds initiatives; we have allocated a substantial £330k fund to support projects and charities in our local areas. These funds, raised collaboratively across our business, directly benefit local community groups and charities such as Mind Halton, Home Start, and Katherine House Hospice, among others.

Furthermore, we maintain proactive and constructive relationships with our key environmental regulators, including the Environment Agency, Scottish Environmental Protection Agency (SEPA), and Natural Resources Wales. This collaborative approach ensures compliance with environmental standards while fostering mutual understanding and continuous improvement in our industry.

Details of initiatives can be found in the People, Social and Environmental section within the Strategic Report.

#### *The desirability of the company maintaining a reputation for high standards of business conduct*

We ensure a transparent approach to conducting business in a responsible manner, with a focus on maintaining good governance. The codes of conduct and policies which apply across our group are regularly updated to ensure the highest of standards are adhered to.

We also strive to achieve external validation where possible. This year we have maintained our ISO 9001, 14001, 45001 and 50001 accreditations with no instances of non-conformance recorded.

The Board has committed to comply with the Walker Guidelines for Disclosure and Transparency in Private Equity and therefore these financial statements are prepared in compliance with the Walker Guidelines.

#### *The need to act fairly as between members of the company*

We have Board meetings for Viridor Energy Investments Limited, Viridor Limited and Planets Topco Limited (TopCo) which discuss strategic aims / objectives, financials, and key risks / opportunities etc taking account the whole business.

The Board consider high value initiatives and capital project workstreams all on the basis of furthering Viridor as a group.

Further we have the ESG Committee which plays a crucial part in setting out the ESG story for all areas of the business. ESG also have a standing agenda item at Viridor Limited and TopCo.

## Viridor Limited

### Strategic Report for the Year Ended 31 March 2024 (continued)

#### OPERATIONS, VISION AND STRATEGY

Our vision is to be the UK's leading innovator of resource recovery and recycling, transforming waste for a climate-positive future. This vision drives our purpose of building a world where nothing goes to waste.

This has been the third full year of ownership by funds advised by KKR. To achieve our vision and purpose, the ongoing strategy is one which is primarily focused on the Energy Recovery Facility (ERF) and Polymer reprocessing businesses, covering both mechanical and chemical recycling. During the year we have completed on acquisitions to pursue our vision to expand our chemical recycling business completing the acquisition of a controlling stake in Quantafuel ASA in April 2023, de-listing the business and acquiring the remaining shares (to take our shareholding to 100%) in February 2024. In parallel, we are also continuing with the development of our ERF fleet, with Westfield (acquired via a 50/50 joint venture with Equitix in January 2023) on-track and well advanced through the construction phase, and solidifying the investment case for Tilbury ERF. With our shareholders' support we are positioned to invest further and continue to build infrastructure backed by long term contracts.

The ERF fleet continues to perform well and achieved availability of 93% (2023: 92%), including our joint ventures, but excluding Glasgow, as it utilises different technology. Input tonnage for the year was 3,558kt (2023: 3,428kt) and GWh exported were 2,233GWh (2023: 2,159GWh). These increases were driven by improved efficiencies across the fleet this year. The ERF fleet generated £526.3 million in revenue in the year (2023: £599.8 million) from its operations.

Viridor Limited continues to build on our strengths and achievements in sustainability under a unifying framework built on environment, social and governance principles. Our ESG strategy can be found on our website [www.viridor.co.uk](http://www.viridor.co.uk). We report on the ESG strategy delivery progress through an annual ESG report, also available on our website. Our environmental targets are:

##### 1. Decarbonisation

Viridor has published its decarbonisation roadmap, to achieving net zero and set out our 5 key commitments:

- Reduce direct emissions from all our core operations
- Maximise the amount of waste that is recycled
- Capture and store carbon emissions from our strategic sites
- Generate negative emissions by expanding carbon capture to our national network of sites, alongside exploring new products that can be created from CO2 waste stream
- Supply more homes and businesses with clean heat

By minimising the emissions we generate and capturing the emissions that remain, Viridor can achieve net zero emissions by 2040 - a full decade ahead of the UK emissions target. Decarbonising will require the use of Carbon Capture technologies and the Carbon Capture Usage and Storage (CCUS) infrastructure that the UK Government (UKG) has initiated around the country and where our facilities are strategically located. In March 2023, UKG announced that Viridor's Runcorn Energy Recovery Facility's CCUS Project was shortlisted for the final stage in the Government's industrial carbon capture (ICC) sequencing process, with a statement of principles agreed with UKG in March 2024 which sets the parameters under which the Runcorn CCUS project will be remunerated for the carbon it captures, and provides an underpin to the project's investment case and our decarbonisation ambitions.

##### 2. Circularity

Viridor has published its circularity roadmap to achieving a circular plastics economy, where further reprocessing capability is available in the UK. This is an expansion on the second step of our decarbonisation ambition's roadmap, as it is crucial to keep plastics in the economy to achieve decarbonisation. Both circular economy and decarbonisation are interlocked and crucial to achieve a net-zero future by 2040.

Our 5 key commitments on circular economy ambition:

- End plastic waste export
- Drive an infrastructure market for recycling
- Expand operations to hard-to-recycle materials
- Extract plastics from general waste and drive novel reprocessing techniques
- Drive innovation and regulatory improvement to achieve complete plastic circularity

As a sector whose economics are driven by policy, there is a critical and valuable role that Governments national and local can play in helping to build this integrated circular economy, spanning the gaps between companies and sectors. Building a world where nothing goes to waste cannot be achieved in isolation.

## **Viridor Limited**

### **Strategic Report for the Year Ended 31 March 2024 (continued)**

#### **MARKETS AND TRENDS**

##### **Viridor's Energy From Waste ("EFW" or "ERF") business benefits from strong waste and power market fundamentals.**

A structural capacity gap for combustible residual waste in the UK underpins strong demand for ERF processing capacity and gate fees received. In addition to providing waste processing capacity, Viridor's ERFs provide a reliable source of baseload power supply which complements the increasing share of non-dispatchable capacity on the UK grid.

##### **Carbon Capture, Usage and Storage (CCUS)**

In June 2019, the UK government signed into law a commitment to achieve net zero greenhouse gas emissions by 2050. For the waste sector - currently the UK's 6th largest emitter, deploying CCUS on ERF plants is currently the only viable pathway for decarbonisation of the sector. As such, CCUS is a strategic priority as part of Viridor's plan to become the UK's first net negative waste management company by 2045. Independent research carried out by Eunomia, commissioned by Viridor, shows the pathway for CCUS deployment for the ERF sector. With many ERF incineration plants being of similar design, the reproducibility of CCUS deployment is streamlined. This will enable the industry to transfer learnings between CCUS projects and create a pipeline for baseload CO2.

Runcorn is the UK's largest ERF facility processing 950kT of waste annually, producing ~612GWh of power, ~90MWth heat and 940kTpa of CO2 per year. As one of the largest projects in the HyNet cluster, it will provide critical baseload CO2 supply to underpin investment in the cluster. We are currently exploring the deployment of CCUS on our other facilities in Scotland and Wales. Viridor is working closely with the government as part of the industrial carbon capture waste expert group, to develop the waste sector business model to ensure the waste sector can deliver CCUS at best value for money in the timetable that Government has set out. Viridor's Runcorn facility was shortlisted for the next stage in the industrial carbon capture (ICC) sequencing process with UK Government in March 2023, and has been actively participating in this process with a view to securing appropriate revenue support to develop the project towards financial close and commencement of construction. A statement of principles was agreed with UK Government in March 2024, setting the parameters under which the Runcorn CCUS project will be remunerated for the carbon it captures, and provides an underpin to the project's investment case and our decarbonisation ambitions.

##### **Ending the UK's reliance on plastic waste export**

New independent research conducted by global sustainability activator Anthesis and commissioned by Viridor, has revealed the amount of plastic packaging ending up in household recycling bins is set to increase by 45% by 2035. This increase will be driven by policy reforms designed to drive up stagnating recycling rates. Around 2.3Mt of plastic packaging is currently used in the UK of which only 54% (1.3Mt) is collected for recycling.

We will continue to work with industry and government stakeholders to expand our operations to hard-to-recycle materials, and to extract plastics from general waste and drive novel reprocessing techniques as part of our circularity objectives.

## Viridor Limited

### Strategic Report for the Year Ended 31 March 2024 (continued)

#### PEOPLE, SOCIAL AND ENVIRONMENTAL

##### Ensuring everyone gets home safe

Our people are critical to everything we do. Without people, Viridor would simply cease to function. If we are to build a world where nothing goes to waste, we need to create and maintain an environment where our people are safe, well and grow. Looking after people's safety and wellbeing is not just a moral imperative, it is good business. Keeping our people safe and well gives confidence to our colleagues to stay with Viridor, keeps facilities operating, and attracts people to join us. We have already started down the road to health, safety & wellbeing excellence and targeted being the leader in the UK waste industry by 2025. Our support divides into physical and mental health to enable our people to be their best. Our health, safety & wellbeing programme, HomeSafe, is designed to ensure we not only value our own safety and wellbeing, but also take responsibility for the safety and wellbeing of others. As we look ahead, we want to achieve more. We want to continually strive to make our operations and working environments safer and healthier for our colleagues, partners, customers and communities. To do this effectively, HomeSafe must continue to evolve, and as such:

- We have re-defined a clear Safety, Health, Environment, Quality and Security (SHEQS) Purpose, Vision and Mission which is fully aligned to our ESG ambition, through our HomeSafe 22-25 Strategy launched in December 2022. The HomeSafe Strategy includes a series of strategic objectives for SHEQS. To ensure that we achieve our strategic objectives we have a SHEQS Roadmap which identifies annual projects to ensure continual improvement. The progress of these projects is tracked and monitored through our ESG Committee meetings which also provides governance.
- During 2022 we revisited the foundations of HomeSafe, looking closely at our shared behaviours and rules to make sure they are fit for our operations. Our Core Expectations, Safety Absolutes and Life Saving Rules remain mostly unchanged, however we have introduced a new layer, our HomeSafe Essentials which focus on the everyday, common causes of harm in our business, and also reach a wider audience including our non-operational workforce.
- To ensure that the new HomeSafe Strategy and refresh landed effectively, in February 2023 we commenced a 100 day campaign which aimed to re-launch, refresh and reinvigorate HomeSafe at all of our Operational Sites and Offices. This included a series of townhall and webinar sessions following the campaign themes of Speak Up, Look Out and Talk More.

To continue to build on these strong foundations, we have established a HomeSafe Steering Group which has helped drive the ongoing development of materials, resources and further communications post 100 day campaign.

##### Environmental Performance

We keep a strong focus on our environmental performance and responsibilities, working closely with environmental regulators (the Environment Agency, Scottish Environment Protection Agency and Natural Resources Wales) to maintain high standards of operations and compliance, and to further reduce the risk of pollution incidents. In addition to the services Viridor Limited offers its customers for the safe management, treatment and disposal of hazardous wastes, our environment policy clearly commits us to minimising hazardous wastes used or produced and any impacts arising, as well as any (non-greenhouse gases) emissions to air.

##### Talent and performance

We focus on optimising and broadening colleagues' performance within the company to attract, grow and retain the best talent. Our processes will help us to manage succession; to identify, select, develop and retain people to progress within our business in the following ways:

- Performance appraisal reviews that incorporate 360 feedback - with all performance objectives aligned to strategic goals and set against our business and ESG strategies to ensure that our colleagues are all pulling in the same direction as one team.
- Bonus Incentive Schemes based on high performance - to ensure our colleagues can share the rewards of their hard work.
- Profit Share Scheme to ensure all our colleagues benefit from our collective success.

We will build on this to ensure that we can develop and retain people by addressing the following:

- Identifying our internal emerging talent and supporting their development in the organisation.
- Develop career pathways so everyone in the organisation can design individual development plan for their ambitions.
- Develop succession planning, especially for critical roles, to ensure that we can safely maintain our round-the-clock operations.
- Develop a diversity and inclusion strategy to actively move our colleague population towards a more balanced representation of the diversity of the communities in which we work. Vitality, this will include a strategy on gender pay gap.

## Viridor Limited

### Strategic Report for the Year Ended 31 March 2024 (continued)

#### Great place to work

As well as effective communication, we need to create trust and engagement among our colleagues. Without this, our purpose and values will struggle to gain traction needed. In 2021 we carried out our first colleague wide trust and engagement survey since becoming a standalone business. This survey took place after a time of considerable change in the business and forms the baseline against which we will measure our progress. Our target was to be classed as a 'Great place to work' by the end of the financial year 2024, but we have since received this accolade a year early which shows our commitment to our people.

#### Gender Diversity

At Viridor, we are committed to not only eliminating discrimination but also creating a diverse workforce. We believe that everyone should be treated with equal respect and dignity and should have access to the same opportunities to develop professionally and personally within the Company. We believe a diverse workforce creates a positive and open culture, we celebrate differences and value everyone's contributions to the everyday workings of the Company. We recognise and value each individual's own personal background and skillset and we strive to grow talent and reach full potential.

We measure gender balance from the top down and by function across Viridor. We are adopting some big changes in our policies to help attract and retain our female talent, including the introduction of more progressive family friendly policies which are representative of our business today. Our early careers programme focuses on recruiting a select number of junior talent into our business providing them with a clear development programme, designed around their skillset and personal interests. By recruiting a select number of diverse junior talent we can dedicate the time and resource to developing their careers and create a pipeline of future leaders who will stay with us for the long term.

We remain committed to creating an inclusive workspace and we are focusing on the following action plan:

- Review our Graduate assessment programmes to ensure they are more inclusive and enable female talent to be successful and equally able to progress through different roles.
- Promote our female talent and actively support their growth and development.
- Review the Recruitment process, where possible ensure female representation through all stages, including at interview stage.
- Continue to ensure pay parity is maintained when recruiting new roles across the business.
- Continue to review on gender representation at each level, from the Executive Leadership Team through the organisation, to identify any areas of weakness or potential barriers to progression.

Number of employees split by gender as at 31 March:

2024	Male		Female		Total	
	No	%	No	%	No	%
Directors	4.0	0.4%	1.0	0.1%	5.0	0.5%
Senior managers	12.0	1.19%	2.0	0.2%	14.0	1.39%
All others	824.0	81.66%	166.0	16.45%	990.0	98.11%
<b>Total</b>	<b>840.0</b>	<b>83.25%</b>	<b>169.0</b>	<b>16.75%</b>	<b>1,009.0</b>	<b>100%</b>

2023	Male		Female		Total	
	No	%	No	%	No	%
Directors	4.0	0.2%	1.0	0.1%	5.0	0.52%
Senior managers	9.0	0.94%	2.0	0.21%	11.0	1.14%
All others	795.0	82.73%	150.0	15.61%	945.0	98.34%
<b>Total</b>	<b>808.0</b>	<b>84.08%</b>	<b>153.0</b>	<b>15.92%</b>	<b>961.0</b>	<b>100%</b>

We define 'Senior manager' as someone who is part of our Executive Leadership Team, reporting to Kevin Bradshaw our Chief Executive Officer. They have responsibility for planning, directing and controlling the activities of the Group, and are an employee of the company.

## **Viridor Limited**

### **Strategic Report for the Year Ended 31 March 2024 (continued)**

#### **Social**

Our people are not just our employees, they are active members of the communities where we work. Our ambition is for our purpose to be greater than work; carried into wider society. We aim to equip colleagues to carry on building a world where nothing goes to waste within their communities. Through this we support our communities to be part of and share our purpose.

We deliver this through our team of Social Value and Community Benefits Officers, onsite education centres, our digital tools and empowered colleagues. With a large local authority client base, ensuring our activities deliver maximum local social value is a key driver. Site based Social Value and Community Benefits Officers use our dedicated onsite and virtual education centres combined with site tours to support local education and community groups to understand how we manage their waste safely and responsibly operate within strict environmental limits.

Community engagement is achieved in multiple ways, via face-to-face, live online sessions and digital tools. These have proved to be highly effective and enabled us to engage with almost 25,000 people in the financial year 2022/23. By maintaining our offering of flexible engagement, which still includes some hybrid sessions, we've increased the number of people reached to over 28,000 in 2023/24.

All colleagues are encouraged to take one volunteering day per year, and these have included tree planting, litter picking and beach cleaning.

All Viridor facilities are permitted and monitored by the relevant environmental authorities. For us and our communities, it is critical we operate to the highest standards and continue to improve. In financial year 2022/23 we set a new target for our environmental performance, and make sure that all Viridor sites will achieve an Environmental Agency Permit rating between Bands A and C, inclusive.

Although Viridor considers the inherent risk of encountering issues of modern slavery within its business, supply chains and strategic affiliations to be low, it is nonetheless an issue that the Group and the Directors take very seriously. The Group's full statement under section 54 of the Modern Slavery Act 2015 is published on its website <https://www.viridor.co.uk/>.

## Viridor Limited

### Strategic Report for the Year Ended 31 March 2024 (continued)

#### RISK REPORT

##### Risk management and internal control framework

Viridor Limited faces a variety of risks which, should they arise, could materially impact its ability to achieve its strategic priorities. The effective management of these existing and emerging risks is, therefore, essential to the long-term success of the Group.

Viridor Limited manages risk in accordance with the Group's integrated risk management framework. A consistent methodology is applied to the identification, evaluation and management of the principal risks which considers both the likelihood of the risk occurring and the potential impact from a stakeholder and customer, financial, management effort and reputational perspective. Principal and other risks are captured in risk registers which are regularly reviewed and challenged. Viridor Limited seeks to reduce its risk exposure, in line with the desired risk appetite and tolerance levels, through the operation of a robust internal control environment.

##### Principal risks and uncertainties

Viridor Limited's business model exposes the business to a variety of external and internal risks. The assessment of principal risks is informed by the potential impact of macro political, economic and environmental factors. Whilst the ability of the Group to influence these macro level risks is limited, they continue to be regularly monitored and the potential implications on the Group are considered as part of the on-going risk assessment process.

For each principal risk we report; Strategic Impact on the long-term priorities affected, Mitigation approach, Net risk after mitigation (High, Medium, or Low) and Net risk change (Increasing, Stable, or Decreasing) and Risk Appetite.

##### Market and economic conditions

Principal Risks	Strategic Impact	Mitigation	Net Risk	Risk Appetite
Macro-economic risks impacting commodity and power prices	Long-term priorities affected: Driving sustainable growth. Volatility in power prices has a direct impact on the revenues generated by our energy business.	We remain well positioned with long term contracts supporting the ERF business and continual review and negotiation of long-term contracts to support feedstock for our Polymers business. Energy risk management, including forward hedges, is undertaken by a highly skilled specialist team in line with the Group's Energy Risk Policy.	High Net Risk; Stable Risk Level	We seek to take well-judged and informed decisions while ensuring plans are in place to mitigate the potential impact of macro-economic risks.
Emerging risks	Long-term priorities affected: Leadership in UK waste and driving sustainable growth.	The pipeline of new technology developments is regularly assessed. Our ESG strategy supported by a dedicated ESG team ensures a strong voice in the sector with regular engagement with government and other regulatory bodies.	Medium Net Risk; Stable Risk Level	We seek to reduce the impact through regular horizon scanning and supported by a credible and effective ESG strategy and team.

**Viridor Limited**

**Strategic Report for the Year Ended 31 March 2024 (continued)**

**Law, regulation and finance**

Principal Risks	Strategic Impact	Mitigation	Net Risk	Risk Appetite
Compliance with Laws and regulations	Long-term priorities affected: Leadership in UK waste and Leadership in cost base efficiency. Non-compliance may result in financial penalties, a negative impact on our ability to operate effectively and reputational damage.	We operate a robust and mature regulatory framework which ensures compliance. We maintain a proactive and positive relationship with our key environmental regulators the Environment Agency, Scottish Environmental Protection Agency (SEPA) and Natural Resources Wales. We continue to provide a rolling programme of training and guidance to our staff, contractors and partners, ensuring that we follow the Group's Code of Conduct.	High Net Risk; Stable Risk Level	We have the highest standards of compliance and have no appetite for legal and regulatory breaches.
Non-compliance or occurrence of avoidable health and safety incident	Long-term priorities affected: A breach of health and safety law could lead to financial penalties, significant legal costs and damage to the Group's reputation.	The effective management of health and safety risks continues to be a priority. Experienced health and safety professionals are providing advice, guidance and support to operational staff.	Medium Net Risk; Stable Risk Level	We have no appetite for incidents and have the highest standards of compliance within the Group.
Market risk	Long-term priorities affected: Leadership in cost base and driving sustainable growth.	The Energy Group has entered into interest rate swaps to effectively fix borrowings at fixed rates, to manage the risk of fluctuating interest rates impacting group performance. We have a strong degree of structural protection against inflation, through inflation-linked gate fees.	Low Net Risk; Stable Risk Level	We operated a low tolerance for interest rate risk. We protect against inflation through inflation linked gate fees and incremental hedging of our inflation exposure to lock-in long-term rates. Our hedging policies are subject to regular risk committee and treasury review.
Liquidity risk	Long-term priorities affected: All	The Group maintains facilities that are designed to ensure significant available funds for operations, planned expansions and facilities in line with strategic plans, with reasonable headroom for contingencies.	Medium Net Risk; Stable Risk Level	We have no appetite for liquidity risk and ensure that we always ensure availability of liquidity throughout all business decisions

**Viridor Limited**

**Strategic Report for the Year Ended 31 March 2024 (continued)**

**Operating performance**

Principal Risks	Strategic Impact	Mitigation	Net Risk	Risk Appetite
Poor operating performance due to extreme weather or climate change	Long-term priorities affected: Leadership in UK waste. Failure of our assets to cope with extreme weather conditions may lead to an inability to meet our customers' needs, environmental damage, costs and reputational damage.	The increased frequency and impact of extreme weather exposes our assets to risk. We seek to mitigate this risk through our planned capital investment, emergency resources and contingency planning. We have in place regional adverse weather management strategies aimed at reducing disruption to site operations and transport logistics.	Low Net Risk; Stable Risk Level	We seek to reduce both the impact and likelihood through planning and forecasting to ensure that measures are in place to mitigate the impact on our operations.
Business interruption or significant operational failures/incidents	Long-term priorities affected: Leadership in UK waste and driving sustainable growth. Business interruption caused by defects, outages or fire could impact the availability and optimisation of our ERFs and Polymer facilities.	We maintain detailed contingency plans and incident management procedures which are reviewed regularly, and assets are managed through a programme of planned and preventive maintenance and effective management of stores.	Medium Net Risk; Stable Risk Level	We operate a low tolerance for significant operational failure and incidents and seek to mitigate these risks where possible.
Difficulty in recruitment, retention and development of appropriate skills, which are required to deliver the Group's strategy	Long-term priorities affected: Failure to have a workforce of skilled and motivated individuals will detrimentally impact all of our strategic priorities. We need the right people in the right places to innovate, share best practice, deliver synergies and move the Group forward.	Our HR strategy continues to be embedded and a range of initiatives to support retention taking account of current employment market conditions has been delivered. Succession plans are in place for senior positions.	Medium Net Risk; Stable Risk Level	We ensure the appropriate skills and experience are in place with succession plans providing adequate resilience.
Failure of information technology systems, management and protection including cyber risks	Long-term priorities affected: Leadership in UK waste. Failure of our information technology systems, stemming from deficient internal processes or external cyber threats, may render the business ineffectual, leading to data loss, customer dissatisfaction, financial penalties, and reputational harm.	We operate a mature and embedded governance framework over the 'business as usual' IT environment and major project implementations aligned to ISO27001 standards. Disaster recovery plans are in place for corporate and operational technology and these are regularly reviewed and tested. Cyber threats continue to increase in volume and sophistication. These risks are mitigated by a strong information security framework aligned to guidance issued by the National Cyber Security Centre (NCSC).	Medium Net Risk; Increasing Risk Level	We seek to minimise the risk of information technology failure and cyber security threats to the lowest level without detrimentally impacting on business operations

**Viridor Limited**

**Strategic Report for the Year Ended 31 March 2024 (continued)**

**Capital investment**

Principal Risks	Strategic Impact	Mitigation	Net Risk	Risk Appetite
Failure or increased cost of capital projects/exposure to contract failures	Long-term priorities affected: Leadership in UK waste and Driving sustainable growth. Inability to successfully deliver our capital programme may result in increased costs and delays and detrimentally impacts our ability to provide top class customer service and achieve our growth agenda.	All capital projects are subject to a robust business case process which includes challenge and risk modelling over key assumptions. We develop strategic partnerships with constructors and projects are delivered using skilled project management resources complimented by senior oversight and leadership.	High Net Risk; Stable Risk Level	Investment activities are taken on an informed basis with risks weighed against appropriate returns.

**Forward-looking statements**

This strategic report, consisting of pages 2 to 16, contains forward-looking statements regarding the financial position; results of operations; cash flows; dividends; financing plans; business strategies; operating efficiencies; capital and other expenditures; competitive positions; growth opportunities; plans and objectives of management; and other matters. These forward-looking statements including, without limitation, those relating to the future business prospects, revenues, working capital, liquidity, capital needs, interest costs and income in relation to the Group, wherever they occur in this strategic report, are necessarily based on assumptions reflecting the views of the Group, as appropriate. They involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. Such forward-looking statements should, therefore, be considered in the light of relevant factors, including those set out in this section on principal risks and uncertainties.

Approved by the board on 31 May 2024 and signed on its behalf by:

*Amar Khan*

.....  
M O Shafi Khan  
Director

*Andrew Howson*

.....  
A Howson  
Company secretary

## **Viridor Limited**

### **Directors' Report for the Year Ended 31 March 2024**

The Directors present their report and the consolidated financial statements for the year ended 31 March 2024.

The Directors' report is prepared in accordance with the provisions of the Companies Act 2006 and regulations made thereunder. It comprises pages 17 to 19 as well as any matters incorporated by reference. Information regarding Viridor Limited, 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 2 to 16 of this Annual report.

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, the position of the Company's business at the end of the year, a description of the principal risks and uncertainties facing the Company (including environmental, social and governance (ESG) risks), and financial and non-financial key performance indicators (including environmental matters and employee matters).

The subsidiaries of the Company are listed in note 21 to the financial statements.

#### **Financial results and dividend**

The profit on ordinary activities after charging non-underlying items and taxation was £75.6 million (2023: £137.8 million).

The Directors do not recommend a final dividend (2023: £nil) and £143.8 million (2023: £2,147.2) dividends were paid during the year.

The review of performance on pages 2 to 16 analyses the Group's financial results in more detail and sets out other financial information.

#### **Directors' of the group**

The Directors, who held office during the year and up to the date of signing the financial statements were as follows:

K Bradshaw

T Davies

J Gordon

I Wakelin

N Maddock (resigned 16 June 2023)

M O Shafi Khan (appointed 16 June 2023)

No Director has, or has had, a material interest, directly or indirectly, at any time during the year.

#### **Directors' liabilities**

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.

#### **Stakeholder engagement**

We are committed to carrying out our business in a responsible way and remain focused on continued dialogue our stakeholders. We continue to engage actively with all our stakeholders, including our customers, our communities, our people and our suppliers, as well as with our investors. Our continuous engagement allows stakeholders to provide feedback on the matters they consider to be important and any issues which they would like to be addressed.

We set out below some of the most significant decisions taken during the year and how stakeholder interests were taken into account.

## **Viridor Limited**

### **Directors' Report for the Year Ended 31 March 2024 (continued)**

#### **Strategic plans**

The impacted stakeholders were shareholders, employees, customers and communities. Factors taken into consideration were; Generation of value for shareholders, Continued delivery of high standards of service to customers and Regulatory and environmental compliance.

The outcome was Directors' agreement of Strategic plans.

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

The average number of employees during the year was 994 (2023: 1,014). Details of the related costs can be found in note 13 to the financial statements.

Employee consultation is maintained via various means including formalised trade union processes, consultative committees, and specific working groups. All these are chaired by senior management of the Group, with representatives drawn from all functional areas as appropriate. These forums, together with regular meetings, are used to ensure that employees are kept up to date with the Group's business performance and financial and economic factors affecting performance. Information is cascaded regularly to all employees to provide them with important and up to date information about key events.

A performance appraisal system exists for all non-manual staff and managers. Viridor Limited uses a range of incentivisation arrangements as appropriate to each group of workers and job satisfaction is supported by encouraging role changes wherever possible within the Group to help employees gain broad experience of business activities. Viridor Limited, as a 'good employer', has operated several 'family-friendly' policies during the year, which exceed statutory requirements.

Occupational health and safety remain key elements of Viridor Limited's assessment of risk management. Training in skills acquisition and health and safety continues to ensure that employees have the knowledge and expertise to undertake their jobs to the best of their ability.

Viridor Limited is committed to ensuring that no current or future employee is disadvantaged because of age, gender, religion, colour, ethnic origin, marital status, sexual orientation or disability. Viridor Limited's equal opportunities policy ensures that there is no bias or discrimination in the availability of training and opportunities for career development and promotion. In particular, Viridor Limited welcomes applications for employment from disabled persons and makes special arrangements and adjustments as necessary to ensure that disabled applicants are treated fairly when attending for interview or for pre-employment aptitude tests. Wherever possible, the opportunity is taken to retrain people who become disabled during their employment in order to maintain their employment within Viridor Limited.

#### **Streamlined Energy and Carbon Reporting (SECR) and Non-Financial and Sustainability Information Statement**

The Streamlined Energy and Carbon Report (SECR) and the Non-Financial and Sustainability Information Statement are reported within the consolidated financial statements of Planets UK Midco Limited (the largest Group in which this Group's results are consolidated), for the year ended 31 March 2024.

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

The Group's financial risk management policy is set out at note 3 of the financial statements.

#### **Financial instruments**

Details of the Group's financial instruments are provided in note 2 and note 19 of the financial statements.

#### **Political donations**

No political donations were made, or political expenditure incurred, and no contributions were made to a political party.

## Viridor Limited

### Directors' Report for the Year Ended 31 March 2024 (continued)

#### Going concern

At the time of approving the financial statements the directors have a reasonable expectation that the Group and Company have adequate resources to continue in operational existence for the period until 31 March 2026 (the period of assessment).

When making this assessment, the Group considers whether it will be able to maintain adequate liquidity headroom above the level of its debt service obligations and to operate within the financial covenants applicable to its debt facilities which will be measured at 30 September 2024, 31 March 2025, 30 September 2025 and 31 March 2026.

As of 31 March 2024, the Group had £2.690 billion of committed borrowing facilities, of which £2.430 billion was drawn, £0.260 billion was undrawn. The maturity of these borrowings ranges between September 2027 and March 2043. In addition, Viridor Limited is a guarantor to the Revolving Credit Facility (RCF) in Planets UK Bidco Limited (the immediate parent of the Group) of £0.250 billion of which nothing was drawn at 31 March 2024. Therefore, in preparing their assessment management has considered the covenants associated with facilities in both Viridor limited and Plants UK Bidco limited for the period until 31 March 2026.

For the assessment, two cash flow forecasts have been prepared - a base case and a downside case which cover the period to 31 March 2026. The downside case adjusts the base case for various scenarios that could result in reducing cashflow over the period to 31 March 2026. A reverse stress test has also been performed to identify scenarios which could exhaust available borrowing facilities or breach covenants. As a result of this analysis the Group does not see a risk of a material loss in revenue should such scenarios occur. A substantial proportion of Group's revenue is contracted revenue with Local Authorities Collected Waste (LACW) and Tier 1 Commercial and Industrial (C&I) customers. Tier 1 relates to investment grade and low risk counterparties. The majority of these contracts are long term and with guaranteed minimum tonnage and substantial termination penalty clauses which make it financially disadvantageous to terminate unilaterally, therefore the Group consider the risk of a loss of revenue from the termination of key contracts as being low. The Group has also considered the risk of insolvency of a major customer, local authority Section 114 notices and a prolonged ERF outage and the impact of these scenarios on the Group's revenue. The analysis demonstrates there is expected to be sufficient cash to continue as a going concern should such events occur.

The base case, downside case and reverse stress test have headroom against debt service obligations and the analysis shows the risk of a breach of covenants is remote.

Therefore, the directors are confident in the ongoing resilience of the Group, and its ability to continue in operation and meet its commitments as they fall due over the going concern period. Accordingly, the directors adopt the going concern basis in preparing the financial statements.

#### Disclosure of information to the auditor

Each director has taken 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 group's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

#### Reappointment of auditors

The auditors Ernst & Young LLP are deemed to be reappointed under section 487(2) of the Companies Act 2006.

#### Events after the reporting period

Further details of events after the reporting period are set out at note 37 of the financial statements.

Approved by the board on <sup>31 May 2024</sup> and signed on its behalf by:

*Amar Khan*

.....  
M O Shafi Khan  
Director

*Andrew Howson*

.....  
A Howson  
Company secretary

## **Viridor Limited**

### **Statement of Directors' Responsibilities**

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable United Kingdom 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 group and parent company 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 group and the company and of the profit or loss of the group and 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 then 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;
- 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;
- in respect of the group financial statements, state whether international accounting standards in conformity with the requirements of the Companies Act 2006 have been followed, subject to any material departures disclosed and explained in the financial statements;
- in respect of the parent company financial statements, state whether international accounting standards in conformity with the requirements of the Companies Act 2006, 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 appropriate to presume that the company and/ or the group will not continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and 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.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VIRIDOR LIMITED

### Opinion

We have audited the financial statements of Viridor Limited ('the parent company') and its subsidiaries (the 'group') for the year ended 31 March 2024 which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the group and parent company Statement of Financial Position, the group and parent company Statement of Changes in Equity, the group and parent company Statement of Cash Flows, and the related notes 1 to 37, including material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted International Accounting Standards and as regards the parent company financial statements, as applied in accordance with section 408 of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the group's and of the parent company's affairs at 31 March 2024 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with UK adopted International Accounting Standards;
- the parent company financial statements have been properly prepared in accordance with UK adopted International Accounting Standards as applied in accordance with section 408 of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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.

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

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group and parent company's ability to continue to adopt the going concern basis of accounting included:

- Gaining an understanding of the process undertaken by management to perform the going concern assessment, including discussion with management to ensure all key factors were taken into account.
- Obtaining management's forecast cash flows and covenant calculations covering the period from the date of signing to 31 March 2026 and agreeing these to the Board approved budgets and forecasts.
- Inquiring of management as to their knowledge of events or conditions beyond the period of their assessment that may cast significant doubt on the entity's ability to continue as a going concern.
- Testing the mathematical accuracy of the cash flow forecasts, as well as the calculation of the forecast covenants.
- Comparing forecast future cashflows to historical data, ensuring variations are in line with our expectations, such as historical performance, and understanding of the business and considered the reliability of past forecasts
- Considering the Group's ability to obtain additional liquidity, and agreed available facilities to underlying agreements.
- Performing forecast covenant testing and considered any potential indicators of breach in the assessment period.
- Considering two of the most severe downside scenarios modelled by management in respect of the assumptions used in the going concern assessment and performed sensitivity analysis on management's forecast cashflows to understand how more severe conditions would have to be to breach liquidity and/or covenants.
- Understanding and challenging the Board's controllable mitigation plans and the forecast impact on the ability of the business to operate within its financial covenants. We obtained supporting documentation to evaluate the plausibility and achievability of management's mitigation plans considering actions delivered to date.
- Considering the results of other audit procedures and other knowledge obtained in the audit and whether it was consistent with or contradicted management's assumptions.
- Assessing the appropriateness of disclosures within the Annual Report and Accounts.

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 group and parent company's ability to continue as a going concern for the period until 31 March 2026.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VIRIDOR LIMITED (continued)**

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's ability to continue as a going concern.

### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 Statement of Directors' Responsibilities on page 20, 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 group's and the parent 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 group or the parent 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.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VIRIDOR LIMITED (continued)

### *Explanation as to what extent the audit was considered 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 irregularities, including fraud. 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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are UK adopted international accounting standards and compliance with the relevant direct and indirect tax regulation in the United Kingdom. In addition, the company has to comply with laws and regulations relating to its operations, including health and safety, waste management and GDPR.
- We understood how Viridor Limited is complying with those frameworks by making inquiries of management and those charged with governance to understand how the company maintains and communicates its policies and procedures in these areas. We understood any controls put in place by management to reduce the opportunities for fraudulent transactions.
- We assessed the susceptibility of the group's and company's financial statements to material misstatement, including how fraud might occur through inquiry of management and those charged with governance and meeting with management from various parts of the business to understand where it considered there was susceptibility to fraud. Through our procedures we determined there to be risks associated with management override of controls, revenue recognition and intercompany transactions.
- In relation to management override, we incorporated data analytics to sample the entire population of journals to identify specific transactions which did not meet our expectations based on specific criteria as well as manual consolidation journals and journals indicating significant or unusual transactions based on our understanding of the business. These procedures included investigating these transactions to gain understanding, challenging the assumptions, judgements and significant estimates made by management and testing them back to source information.
- In performing our work over recognition of revenue, we identified that the areas that were particularly susceptible to fraud were recognition of accrued income on contracts and power generation, revenue subject to IFRIC 12 (Accounting for Service Concession arrangements), revenue subject to differing incoterms within the Polymers division, and potentially fraudulent entries made within invoiced revenue. We have separated the revenue into its appropriate streams and selected a sample of revenue transactions throughout the period to perform detailed testing. Our procedures included: Validation of transactions back to contracts, evaluation of appropriateness of assumptions, and where possible, agreeing the transactions to an invoice and cash receipt.
- In our consideration of the work performed over intercompany transactions, we remain especially diligent for all intercompany transactions that include a part of the group with non-controlling owners, to ensure they are given a fair share of the reserves. We specifically ensure that all intercompany charges are either transacted at arm's length, or at a rate that is agreed by the non-controlling owners. Our procedures in this regard mainly include auditing an increased sample of intercompany transactions with extra scrutiny placed on the valuation to ensure it is recorded at arm's length.
- The procedures above for all three areas of fraud risks were designed to provide reasonable assurance that the group financial statements were free from fraud or error.
- Based on our understanding of laws and regulations identified above, we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved agreeing that material transactions are recorded in compliance with UK adopted International Accounting Standards. Compliance with other operational laws and regulations was covered through our inquiries with management, our review of board meeting minutes, our discussions with internal legal counsel, and a review of correspondence with external legal counsel.

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VIRIDOR LIMITED (continued)**

**Use of our report**

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

*Ernst & Young LLP*

.....  
Paul Mapleston (Senior Statutory Auditor)  
For and on behalf of Ernst & Young LLP, Statutory Auditor

Bristol

Date: 31 May 2024 .....

## Viridor Limited

### Consolidated Income Statement for the Year Ended 31 March 2024

		Before non- underlying items	Non- underlying items (Note 6)	Total	Before non- underlying items	Non- underlying items (Note 6)	Total
	Note	2024 £ m	2024 £ m	2024 £ m	2023 £ m	2023 £ m	2023 £ m
<b>Continuing operations</b>							
Revenue	7	579.4	-	579.4	672.1	-	672.1
<b>Operating costs</b>							
Employment costs	7	(81.4)	-	(81.4)	(67.9)	(35.8)	(103.7)
Raw materials and consumables used	7	(45.1)	-	(45.1)	(62.1)	-	(62.1)
Other expenses	7	(265.0)	-	(265.0)	(268.0)	-	(268.0)
<b>Profit/(loss) before interest, tax, depreciation, amortisation, impairment and share of profit from joint ventures</b>		<b>187.9</b>	<b>-</b>	<b>187.9</b>	<b>274.1</b>	<b>(35.8)</b>	<b>238.3</b>
Depreciation and impairment	7	(70.3)	(14.9)	(85.2)	(52.7)	-	(52.7)
Amortisation and impairment of intangibles	7	(6.4)	(12.9)	(19.3)	(29.0)	-	(29.0)
<b>Operating profit/(loss)</b>		<b>111.2</b>	<b>(27.8)</b>	<b>83.4</b>	<b>192.4</b>	<b>(35.8)</b>	<b>156.6</b>
Finance income		115.6	-	115.6	75.5	1.2	76.7
Finance costs		(85.2)	-	(85.2)	(79.5)	(0.9)	(80.4)
<b>Net finance income/(cost)</b>	<b>9</b>	<b>30.4</b>	<b>-</b>	<b>30.4</b>	<b>(4.0)</b>	<b>0.3</b>	<b>(3.7)</b>
Share of profit from joint ventures	22	39.8	-	39.8	14.3	-	14.3
<b>Profit/(loss) before tax</b>		<b>181.4</b>	<b>(27.8)</b>	<b>153.6</b>	<b>202.7</b>	<b>(35.5)</b>	<b>167.2</b>
Taxation charge	10	(78.0)	-	(78.0)	(13.5)	-	(13.5)
<b>Profit/(loss) for the year from continuing operations</b>		<b>103.4</b>	<b>(27.8)</b>	<b>75.6</b>	<b>189.2</b>	<b>(35.5)</b>	<b>153.7</b>
<b>Discontinued operations</b>							
Loss after tax from discontinued operations	5	-	-	-	(15.9)	-	(15.9)
<b>Profit/(loss) for the year</b>		<b>103.4</b>	<b>(27.8)</b>	<b>75.6</b>	<b>173.3</b>	<b>(35.5)</b>	<b>137.8</b>
<b>Profit/(loss) attributable to:</b>							
Owners of the company				23.0			59.7
Non-controlling interests				52.6			78.1
				<b>75.6</b>			<b>137.8</b>

**Viridor Limited**

**Consolidated Statement of Comprehensive Income for the Year Ended 31 March 2024**

		Before non- underlying items	Non- underlying items (Note 6)	Total	Before non- underlying items	Non- underlying items (Note 6)	Total
	Note	2024 £ m	2024 £ m	2024 £ m	2023 £ m	2023 £ m	2023 £ m
Profit/(loss) for the year		103.4	(27.8)	75.6	173.3	(35.5)	137.8
<b>Items that will not be reclassified subsequently to profit or loss</b>							
Remeasurements of post employment benefit obligations	29	-	-	-	-	35.5	35.5
<b>Items that may be reclassified subsequently to profit or loss</b>							
Unrealised gain or loss on cash flow hedges		7.1	-	7.1	46.0	-	46.0
Foreign currency translation gains or losses		(5.7)	-	(5.7)	-	-	-
Share of joint ventures other comprehensive income before tax	22	0.7	-	0.7	(2.0)	-	(2.0)
Income tax on items that may be reclassified	10	(1.5)	-	(1.5)	(11.6)	-	(11.6)
		0.6	-	0.6	32.4	-	32.4
<b>Total comprehensive Income/(loss) for the year</b>		<b>104.0</b>	<b>(27.8)</b>	<b>76.2</b>	<b>205.7</b>	<b>-</b>	<b>205.7</b>
<b>Total comprehensive income attributable to:</b>							
Owners of the company				22.0			123.6
Non-controlling interests				54.2			82.1
				<b>76.2</b>			<b>205.7</b>

## Viridor Limited

(Registration number: 02456473)

### Consolidated Statement of Financial Position as at 31 March 2024

	Note	Group		Company	
		31 March 2024 £ m	31 March 2023 £ m	31 March 2024 £ m	31 March 2023 £ m
<b>Assets</b>					
<b>Non-current assets</b>					
Goodwill	15	301.7	303.3	-	-
Other intangible assets	16	109.1	104.9	-	-
Property, plant and equipment	17	1,317.3	1,326.4	-	-
Right of use assets	18	65.8	52.9	-	-
Deferred tax assets	10	-	-	0.3	0.3
Derivative financial assets	25	53.7	62.0	-	-
Investments in subsidiaries	21	-	-	2,083.9	2,083.9
Investments in joint ventures	22	109.8	73.6	-	-
Other non-current assets	20	338.5	291.5	-	-
		<u>2,295.9</u>	<u>2,214.6</u>	<u>2,084.2</u>	<u>2,084.2</u>
<b>Current assets</b>					
Inventories	23	59.1	48.6	-	-
Trade and other receivables	24	193.6	172.6	11.1	7.3
Derivative financial assets	25	22.9	22.0	-	-
Cash and cash equivalents	26	145.5	157.5	-	-
		<u>421.1</u>	<u>400.7</u>	<u>11.1</u>	<u>7.3</u>
<b>Total assets</b>		<u><b>2,717.0</b></u>	<u><b>2,615.3</b></u>	<u><b>2,095.3</b></u>	<u><b>2,091.5</b></u>
<b>Liabilities</b>					
<b>Current liabilities</b>					
Trade and other payables	27	(123.0)	(216.8)	(125.9)	(114.1)
Derivative financial liabilities	25	(19.3)	(67.3)	-	-
Current tax liability		(9.2)	(18.7)	(7.7)	(4.2)
Loans and borrowings	28	(95.8)	(69.7)	-	-
Provisions	30	(5.3)	(9.5)	-	-
		<u>(252.6)</u>	<u>(382.0)</u>	<u>(133.6)</u>	<u>(118.3)</u>
<b>Non-current liabilities</b>					
Loans and borrowings	28	(2,383.1)	(2,448.3)	-	-
Derivative financial liabilities	25	(222.1)	(285.9)	-	-
Deferred tax liabilities	10	(138.4)	(58.9)	-	-
Provisions	30	(1.6)	(1.4)	-	-
		<u>(2,745.2)</u>	<u>(2,794.5)</u>	<u>-</u>	<u>-</u>
<b>Total liabilities</b>		<u><b>(2,997.8)</b></u>	<u><b>(3,176.5)</b></u>	<u><b>(133.6)</b></u>	<u><b>(118.3)</b></u>
<b>Net (liabilities)/assets</b>		<u><b>(280.8)</b></u>	<u><b>(561.2)</b></u>	<u><b>1,961.7</b></u>	<u><b>1,973.2</b></u>

The notes on pages 33 to 100 form an integral part of these financial statements.

**Viridor Limited**

(Registration number: 02456473)

**Consolidated Statement of Financial Position as at 31 March 2024 (continued)**

	Note	Group		Company	
		31 March 2024 £ m	31 March 2023 £ m	31 March 2024 £ m	31 March 2023 £ m
<b>Equity</b>					
Share capital	31	(898.2)	(898.2)	(898.2)	(898.2)
Share premium		(225.5)	(225.5)	(225.5)	(225.5)
Foreign currency translation reserve		5.7	-	-	-
Hedging reserve		104.3	108.3	-	-
Retained earnings and other reserves		998.6	1,305.1	(838.0)	(849.5)
Equity attributable to owners of the company		(15.1)	289.7	(1,961.7)	(1,973.2)
Non-controlling interests		295.9	271.5	-	-
<b>Total equity</b>		<b>280.8</b>	<b>561.2</b>	<b>(1,961.7)</b>	<b>(1,973.2)</b>

The profit for the year attributable to ordinary shareholder's equity dealt with in the accounts of the Parent Company is £100.5 million (2023: £764.8 million).

Approved by the board on 31 May 2024 and signed on its behalf by:

*Amar Khan*  
 .....  
 M O Shafi Khan  
 Director

## Viridor Limited

### Consolidated Statement of Changes in Equity for the Year Ended 31 March 2024

	Attributable to the equity holders of the parent							Non-controlling interests £ m	Total equity £ m
	Share capital £ m	Share premium £ m	Foreign currency translation £ m	Cash flow hedging reserve £ m	Share based payment reserve £ m	Retained earnings £ m	Total £ m		
At 1 April 2022	898.2	225.5	-	(138.7)	1.1	320.2	1,306.3	(229.7)	1,076.6
Profit for the year	-	-	-	-	-	59.7	59.7	78.1	137.8
Other comprehensive income	-	-	-	30.4	-	33.5	63.9	4.0	67.9
Total comprehensive income	-	-	-	30.4	-	93.2	123.6	82.1	205.7
Dividends	-	-	-	-	-	(2,088.8)	(2,088.8)	(58.4)	(2,147.2)
Share based payment transactions	-	-	-	-	8.9	(2.4)	6.5	-	6.5
Disposal of non-controlling interest in subsidiaries	-	-	-	-	-	362.7	362.7	(111.5)	251.2
Acquisition of subsidiary	-	-	-	-	-	-	-	46.0	46.0
<b>At 31 March 2023</b>	<b>898.2</b>	<b>225.5</b>	<b>-</b>	<b>(108.3)</b>	<b>10.0</b>	<b>(1,315.1)</b>	<b>(289.7)</b>	<b>(271.5)</b>	<b>(561.2)</b>

	Attributable to the equity holders of the parent							Non-controlling interests £ m	Total equity £ m
	Share capital £ m	Share premium £ m	Foreign currency translation £ m	Cash flow hedging reserve £ m	Share based payment reserve £ m	Retained earnings £ m	Total £ m		
At 1 April 2023	898.2	225.5	-	(108.3)	10.0	(1,315.1)	(289.7)	(271.5)	(561.2)
Profit for the year	-	-	-	-	-	23.0	23.0	52.6	75.6
Other comprehensive income	-	-	(5.7)	4.0	-	0.7	(1.0)	1.6	0.6
Total comprehensive income	-	-	(5.7)	4.0	-	23.7	22.0	54.2	76.2
Dividends	-	-	-	-	-	(112.0)	(112.0)	(31.8)	(143.8)
Share based payment transactions	-	-	-	-	12.1	-	12.1	-	12.1
Disposal of non-controlling interest in subsidiaries	-	-	-	-	-	382.7	382.7	(61.6)	321.1
Acquisition of subsidiary	-	-	-	-	-	-	-	14.8	14.8
<b>At 31 March 2024</b>	<b>898.2</b>	<b>225.5</b>	<b>(5.7)</b>	<b>(104.3)</b>	<b>22.1</b>	<b>(1,020.7)</b>	<b>15.1</b>	<b>(295.9)</b>	<b>(280.8)</b>

The amount included in the cash flow hedging reserve represents other comprehensive income, net of tax and non-controlling interests.

Included in the movement in other comprehensive income in the cash flow hedging reserve are losses reclassified to the income statement of £9.7m (2023: losses of £4.5m) and fair value gains of £16.9m (2023: gains of £50.5m).

During the year the Group sold a 10% (2023: 10%) stake in its subsidiary, Viridor Energy (Investments) Limited - a holding company for the Group's established Energy Recovery Facility (ERF) business. The total non-controlling interest in Viridor Energy (Investments) Limited is 40% (2023: 30%).

During the year the Group acquired the Quantafuel Group. Subsequently, the Quantafuel Group issued new shares to Planets UK Bidco Limited, the Group's immediate parent. This reduced the Group's shareholding to 45.56% (see note 4).

The notes on pages 33 to 100 form an integral part of these financial statements.

**Viridor Limited**

**Company Statement of Changes in Equity for the Year Ended 31 March 2024**

	Share capital £ m	Share premium £ m	Retained earnings £ m	Total £ m
At 1 April 2022	898.2	225.5	2,173.5	3,297.2
Profit for the year	-	-	764.8	764.8
Total comprehensive income	-	-	764.8	764.8
Dividends	-	-	(2,088.8)	(2,088.8)
<b>At 31 March 2023</b>	<b>898.2</b>	<b>225.5</b>	<b>849.5</b>	<b>1,973.2</b>
	Share capital £ m	Share premium £ m	Retained earnings £ m	Total £ m
At 1 April 2023	898.2	225.5	849.5	1,973.2
Profit for the year	-	-	100.5	100.5
Total comprehensive income	-	-	100.5	100.5
Dividends	-	-	(112.0)	(112.0)
<b>At 31 March 2024</b>	<b>898.2</b>	<b>225.5</b>	<b>838.0</b>	<b>1,961.7</b>

## Viridor Limited

### Consolidated Statement of Cash Flows for the Year Ended 31 March 2024

	Note	Group		Company	
		2024 £ m	2023 £ m	2024 £ m	2023 £ m
<b>Cash flows from operating activities</b>					
Profit for the year from continuing operations		75.6	153.7	100.5	764.8
Loss for the year from discontinued operations	5	-	(15.9)	-	-
<i>Adjustments to cash flows from non-cash items:</i>					
Depreciation, amortisation and impairment (continuing)		104.5	81.7	-	-
Depreciation, amortisation and impairment (discontinued)		-	0.9	-	-
Profit on disposal of property plant and equipment	7	(1.1)	(1.1)	-	-
Foreign exchange gain	7	(1.4)	(0.6)	-	-
Trade receivables impairment	7	0.2	0.7	-	-
Finance income	9	(115.6)	(76.7)	-	(27.8)
Finance costs	9	85.2	80.4	-	-
Share based payment transactions		12.1	6.4	-	-
Share of profit or loss of equity accounted investees		(39.8)	(14.3)	-	-
Income tax expense		78.0	9.9	4.2	1.1
Dividends received		-	-	(112.0)	(747.7)
Settlement of pension liabilities	6	-	35.8	-	-
		<b>197.7</b>	<b>260.9</b>	<b>(7.3)</b>	<b>(9.6)</b>
<i>Working capital adjustments:</i>					
Increase in inventories		(9.5)	(9.1)	-	-
Decrease/(increase) in trade and other receivables		24.7	34.7	(3.6)	(1.3)
(Decrease)/increase in trade and other payables		(13.6)	4.4	11.7	1.5
(Decrease)/increase in provisions		(4.0)	3.9	-	-
Derivatives settlement		(10.7)	(82.7)	-	-
<b>Cash generated from operations</b>		<b>184.6</b>	<b>212.1</b>	<b>0.8</b>	<b>(9.4)</b>
Income taxes (paid)/received		(11.0)	(27.5)	(0.8)	9.4
<b>Net cash flow from operating activities</b>		<b>173.6</b>	<b>184.6</b>	<b>-</b>	<b>-</b>
<b>Cash flows from investing activities</b>					
Interest received		6.9	1.8	-	-
Dividends received		17.0	17.0	112.0	167.8
Acquisitions of property plant and equipment		(34.8)	(32.7)	-	-
Proceeds from sale of property plant and equipment		4.0	2.5	-	-
Acquisition of intangible assets		(3.7)	(5.0)	-	-
Loans granted to related parties		(6.1)	(215.4)	-	-
Acquisition of investments in subsidiaries (net of cash acquired)		(53.5)	(12.0)	-	-
Initial investment in joint venture		(8.6)	(9.1)	-	-
Proceeds on disposal of subsidiaries		-	55.4	-	-
Repayment of loans by joint ventures		11.8	17.1	-	-
Loans granted to joint venture		(32.2)	(63.3)	-	-
<b>Net cash flows from investing activities</b>		<b>(99.2)</b>	<b>(243.7)</b>	<b>112.0</b>	<b>167.8</b>

The notes on pages 33 to 100 form an integral part of these financial statements.

**Viridor Limited**

**Consolidated Statement of Cash Flows for the Year Ended 31 March 2024 (continued)**

	Note	Group		Company	
		2024 £ m	2023 £ m	2024 £ m	2023 £ m
<b>Cash flows from financing activities</b>					
Interest paid		(104.4)	(80.4)	-	-
Proceeds from derivatives settlement		25.8	8.3	-	-
Proceeds from borrowings (external) net of debt issue costs		15.0	75.0	-	-
Repayment of borrowings (external)		(70.6)	(53.5)	-	-
(Repayment of)/proceeds from borrowings (related parties)		(87.5)	71.7	-	-
Payment of principal portion of lease liabilities		(7.0)	(4.1)	-	-
Acquisition of non-controlling interests		(14.1)	-	-	-
Proceeds from sale of non-controlling interest in subsidiaries		300.0	251.2	-	-
Dividends paid		(143.8)	(226.2)	(112.0)	(167.8)
Net cash flows (used in)/from financing activities		(86.6)	42.0	(112.0)	(167.8)
<b>Net decrease in cash and cash equivalents</b>		<b>(12.2)</b>	<b>(17.1)</b>	-	-
Cash and cash equivalents at 1 April		157.5	174.6	-	-
Effect of exchange rate fluctuations on cash held		0.2	-	-	-
<b>Cash and cash equivalents at 31 March</b>		<b>145.5</b>	<b>157.5</b>	-	-

## **Viridor Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2024**

#### **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:

Ardley ERF  
Middleton Stoney Road  
Ardley  
Bicester  
OX27 7AA  
United Kingdom

The registered office address changed from Viridor House, Priory Bridge Road, Taunton, TA1 1AP to Ardley Erf, Middleton Stoney Road, Ardley, Bicester, OX27 7AA on 13 April 2024.

These financial statements were authorised for issue by the board on 31 May 2024.

#### **2 Accounting policies**

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

The group 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.

##### **Summary of material accounting policy information and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

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

These financial statements have been prepared on the historical cost accounting basis (except for fair value items, principally acquisitions and certain financial instruments as described in the following accounting policy notes) and in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. A summary of the principal accounting policies is set out below, together with an explanation where changes have been made to previous policies on the adoption of new accounting standards and interpretations in the year.

These financial statements are presented in pound sterling, which is the Company's functional currency. All amounts have been rounded to the nearest 0.1 million, unless otherwise indicated.

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

The Group financial statements include the results of Viridor Limited, its subsidiaries and joint ventures.

The results of subsidiaries and joint venture undertakings are included from the date of acquisition or incorporation and excluded from the date of disposal. The results of subsidiaries are consolidated where the Group has the power to control the financial and operating policies of a subsidiary. The results of joint venture and associate undertakings are accounted for on an equity basis. Intra-group trading, loan balances and transactions are eliminated on consolidation.

The acquisition method of accounting is used to account for the purchase of subsidiaries. The excess of the value transferred to the seller in return for control of the acquired business together with the fair value of any previously held equity interest in that business over the Group's share of the fair value of the identifiable net assets is recorded as goodwill.

Once control is achieved any change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

## **Viridor Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)**

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

##### *Discontinued operations*

During the year ended 31 March 2023, the polymer recycling facility in Skelmersdale ceased to operate. This was treated as discontinued.

Further information is provided in note 5.

##### **Going concern**

At the time of approving the financial statements the directors have a reasonable expectation that the Group and Company have adequate resources to continue in operational existence for the period until 31 March 2026 (the period of assessment).

When making this assessment, the Group considers whether it will be able to maintain adequate liquidity headroom above the level of its debt service obligations and to operate within the financial covenants applicable to its debt facilities which will be measured at 30 September 2024, 31 March 2025, 30 September 2025 and 31 March 2026.

As of 31 March 2024, the Group had £2.690 billion of committed borrowing facilities, of which £2.430 billion was drawn, £0.260 billion was undrawn. The maturity of these borrowings ranges between September 2027 and March 2043. In addition, Viridor Limited is a guarantor to the Revolving Credit Facility (RCF) in Planets UK Bidco Limited (the immediate parent of the Group) of £0.250 billion of which nothing was drawn at 31 March 2024. Therefore, in preparing their assessment the Group has considered the covenants associated with facilities in both Viridor limited and Plants UK Bidco limited for the period until 31 March 2026.

For the assessment, two cash flow forecasts have been prepared - a base case and a downside case which cover the period to 31 March 2026. The downside case adjusts the base case for various scenarios that could result in reducing cashflow over the period to 31 March 2026. A reverse stress test has also been performed to identify scenarios which could exhaust available borrowing facilities or breach covenants. As a result of this analysis the Group do not see a risk of a material loss in revenue should such scenarios occur. A substantial proportion of Group's revenue is contracted revenue with Local Authorities Collected Waste (LACW) and Tier 1 Commercial and Industrial (C&I) customers. Tier 1 relates to investment grade and low risk counterparties. The majority of these contracts are long term and with guaranteed minimum tonnage and substantial termination penalty clauses which make it financially disadvantageous to terminate unilaterally, therefore the Group consider the risk of a loss of revenue from the termination of key contracts as being low. The Group have considered the risk of insolvency of a major customer, local authority Section 114 notices and a prolonged ERF outage and the impact of these scenarios on the Group's revenue. The analysis demonstrates there is expected to be sufficient cash to continue as a going concern should such events occur.

The base case, downside case and reverse stress tests have headroom against debt service obligations and the analysis shows the risk of a breach of covenants is remote.

Therefore, the directors are confident in the ongoing resilience of the Group, and its ability to continue in operation and meet its commitments as they fall due over the going concern period. Accordingly, the directors adopt the going concern basis in preparing the financial statements.

##### **Changes in accounting policy**

###### **New standards, interpretations and amendments effective**

New standards or interpretations which were mandatory for the first time in the year beginning 1 April 2023 did not have a material impact on the net assets or results of the Group. New standards or interpretations due to be adopted from 1 April 2024 are not expected to have a material impact on the Group's net assets or results.

##### **Pillar Two**

Pillar Two legislation has been enacted or substantially enacted in certain jurisdictions in which the Group operates. However, this legislation does not apply to the Group as its consolidated revenue is lower than €750 million.

## Viridor Limited

### Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

#### 2 Accounting policies (continued)

##### Revenue recognition

###### *Recognition*

Group revenue is recognised following delivery of performance obligations and an assessment of when control over the product or service is transferred to the customer. Revenue is only recognised when collection of consideration is highly probable.

Revenue is recognised either when the performance obligation in the contract has been performed ('point in time' recognition) or 'over time' as the performance obligations to the customer are satisfied. For each obligation satisfied over time, the Group applies a revenue recognition method that accurately reflects performance in transferring control of the services to the customer.

Where a contract with a customer includes more than one performance obligation, revenue is allocated to each obligation in proportion to a fair value assessment of the total contract sales value split across the services provided.

At the inception of a contract the total transaction price is estimated, being the fair value to which the Group expects to be entitled under the contract, including any variable consideration. Variable consideration is based on the most likely outcome of the performance obligations.

Revenue excludes value added tax, trade discounts and revenue arising from transactions between Group companies.

###### *Energy sales*

The Group receives revenue from the sale of electricity from Energy Recovery facilities. Revenue from the sale of electricity from the Group's generating assets is measured based upon metered output delivered at rates specified under contract terms or prevailing market rates. Revenue is recognised at a 'point in time', being the point of distribution to the grid. Typically, invoices are raised monthly with standard payment terms.

###### *Waste Management Services*

In respect of single services with fixed fees, such as the receipt of gate and collection fees, revenue is recognised at the time the service is provided.

The Group also delivers other waste management services for which revenue is recognised 'over time' in accordance with contracts with customers. The nature of contracts and/or performance obligations includes management fees to operate energy recovery facilities and multi service contracts including gate fees.

Revenue from other services can be fixed (i.e. management fees) or variable (i.e. gate fees).

Gate fee revenue, derived from the Group's operational assets, is recognised as customer waste is deposited and is based on tonnage received.

The majority of waste management customers are invoiced monthly for services provided within the monthly billing period. Payments are typically due on an end of month following invoice basis. Alternative billing and/or payment terms are agreed in exceptional circumstances.

The Group transfers control of such waste management services prior to invoicing. Receipt of payment following invoice is based solely on the passage of time. A trade receivable is recognised until payment is made and/or refund issued.

Where the Group has entered into service concession arrangements it accounts for these contracts in accordance with IFRIC 12. Consideration is treated as contract assets or other intangible assets, depending upon the right to receive cash from the asset. Consideration is split between construction of assets, operation of the service and provision of finance recognised as interest receivable.

## Viridor Limited

### Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

#### 2 Accounting policies (continued)

Revenue in respect of construction services is recognised over time and based on the fair value of work performed, with reference to the total sales value and the stage of completion of those services, as this best reflects the manner in which control passes to the customer. While construction is in progress, the consideration is disclosed as a contract asset within non-current financial assets. On entry into operational service, in accordance with IFRIC 12, the contract asset is reclassified as costs recoverable from construction activities and disclosed within:

- other intangible assets (when the concession grantor has not provided a contractual guarantee in respect of the recoverable amount regardless of the service use by customers).
- other non-current financial assets (when the concession grantor contractually guarantees the payment of amounts determined in the contract or the shortfall, if any, between amounts received from users of the public service and amounts specified or determined in the contract).

No payments are received during the construction phase.

In respect of operating services, revenue is recognised over time in line with delivery of operational services in accordance with the contract with the local authority.

Once the operational phase commences, the Group has a right to receive consideration for the construction and operational services delivered. Invoicing typically occurs monthly and payments are due by the end of the month following date of invoice.

#### *Recyclate*

The Group transforms waste into recyclate ready for resale. Revenue is measured at the agreed transaction price per tonne of recyclate under the contract with the customer. Revenue recognition occurs when control over the recyclate assets has been transferred to the customer.

In respect of UK sales, the Group's performance obligation is satisfied at the point of collection by the customer. This is the point in time when an invoice is issued and revenue is recognised. Payment terms are typically at the end of the month following invoice date. Overseas sales are predominantly agreed under a letter of credit. Goods are despatched at the point the letter of credit is accepted by the customer's bank. Payment is released when the customer confirms satisfactory receipt of the recyclate. This is the point legal title (i.e. control) passes to the customer and revenue is recognised.

#### *Non-Monetary Government Grants*

Viridor receives non-monetary government grants as a result of its business activities, in the form of Renewable Obligation Certificates (ROCs), Renewable Energy Guarantee of Origin (REGOs) and Packaging Recovery Notes (PRNs). These assets are traded within the ordinary course of business and are recognised within inventory at nominal value. Income generated from the sale to third parties are recognised within revenue when transferred to the customer.

#### *Contract assets and liabilities*

A trade receivable is recognised when the Group has an unconditional right to receive consideration in exchange for performance obligations already fulfilled. Where the Group has an unconditional right to receive consideration in exchange for performance obligations already fulfilled and an invoice has not been raised, the balance is presented as accrued income. A contract asset is recognised when the Group has fulfilled some of its performance obligations but has not yet obtained an unconditional right to receive consideration, such as during the construction phase of a service concession agreement, as described above.

A contract liability is recognised when consideration is received in advance of the Group performing its performance obligations to customers.

## **Viridor Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)**

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

##### **Foreign currency transactions and balances**

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). Foreign currency transactions are translated into the appropriate functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Non-monetary assets that are measured at fair value are translated using the exchange rate at the date that the fair value was determined.

The results and financial position of all Group entities that have a functional currency different from the presentational currency are translated into the presentation currency as follows: the assets and liabilities of foreign operations, including goodwill and fair value adjustments on the acquisition of a foreign entity are translated into sterling at the balance sheet date; and the income and expenses of foreign operations are translated into sterling at average exchange rates unless these do not approximate to the foreign exchange rates ruling at the dates of the transactions, in which case income and expenses are translated at the dates of the transactions.

Foreign exchange differences arising on the translation of a foreign operation are recognised in other comprehensive income and accumulated in a separate component of equity together with exchange differences arising from translation of borrowings. On disposal of a foreign operation, the cumulative amount of exchange differences relating to that foreign operation is reclassified from equity and included in determining the profit or loss arising on disposal.

##### **Goodwill**

Goodwill arising on consolidation from the acquisition of subsidiary and joint venture undertakings represents the excess of the purchase consideration over the fair value of net assets/liabilities acquired, less any subsequent impairment charges.

Goodwill is recognised as an asset and reviewed for impairment at least annually. Any impairment is recognised immediately in the income statement and is not subsequently reversed. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash generating units or group of cash generating units that is expected to benefit from the synergies of the combination. Each unit or group of units to which goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal reporting purposes. Further details are contained in the accounting policy "Impairment of non-financial assets". When a subsidiary or joint venture undertaking is sold, the profit or loss on disposal is determined after including the attributable amount of unamortised goodwill.

##### **Other intangible assets**

An intangible asset is recognised in respect of service concession contracts to the extent that future amounts to be received are not contractually guaranteed. The asset is amortised straight line over the length of the contract and assessed for impairment whenever there is an indication that the asset may be impaired.

Other intangible assets acquired in a business combination are capitalised at fair value at the date of acquisition. Following initial recognition, finite life intangible assets are amortised on a straight-line basis over their estimated useful economic lives, with the expense taken to the income statement. Amortisation rates used are between 5% and 10% per annum.

## Viridor Limited

### Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

#### 2 Accounting policies (continued)

##### Property, plant and equipment

###### Owned assets

Property, plant and equipment assets are included at cost less accumulated depreciation.

###### Depreciation

Depreciation is charged so as to write off the cost of assets, other than assets under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Freehold buildings	30-50 years
Energy recovery facilities	25-40 years
Short-term leasehold land and buildings	The shorter of their estimated useful economic lives or the finance lease period.
Polymer reprocessing facilities	10-25 years
Fixed and mobile plant, vehicles and computers	3-10 years
Assets classified as construction in progress	Not depreciated until commissioned
Asset lives and residual values are reviewed annually.	

An item of property, plant and equipment is derecognised upon disposal (i.e. at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement in other operating expenses.

###### Leased assets

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

###### *Right-of-use assets*

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

If a lease liability is terminated or novated to a third party the related right-of-use asset is derecognised. Any gain or loss on derecognition of the asset (calculated as the difference between the net disposal proceeds, the carrying amount of the asset and the present value of the lease liability) is included in the income statement in other operating expenses.

## Viridor Limited

### Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

#### 2 Accounting policies (continued)

##### *Lease liabilities*

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date, because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

##### **Impairment of non-financial assets**

Assets with an indefinite useful life are not subject to amortisation and are tested annually for impairment, or whenever events or changes in circumstance indicate that the carrying amount may not be recoverable.

Assets subject to amortisation or depreciation are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which an asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value, less costs to sell, and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows (cash-generating units). Value in use represents the present value of projected future cash flows expected to be derived from a cash-generating unit, discounted using a pre-tax discount rate which reflects an assessment of the market cost of capital of the cash-generating unit. Impairments are charged to the income statement in the year in which they arise.

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

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.

##### **Investment in joint ventures**

Joint ventures are entities over which the Group exercises joint control. Investments in joint ventures are accounted for using the equity method of accounting. Any excess of the cost of acquisition over the Group's share of the fair values of the identifiable net assets/liabilities of the joint venture at the date of acquisition is recognised as goodwill and is included in the carrying value of the investment in the joint venture.

The carrying value of the Group's investment is adjusted for the Group's share of post-acquisition post-tax profits or losses recognised in the income statement and statement of comprehensive income. Losses of a joint venture in excess of the Group's interest are not recognised unless the Group has a legal or constructive obligation to fund those losses.

##### **Inventories**

Inventories are stated at the lower of cost or net realisable value. The cost of finished goods and work in progress includes raw materials and the cost of bringing stocks to their present location and condition. It excludes borrowing costs. Costs are assigned to individual items of inventory on the basis of weighted average costs. A perpetual inventory system is used to calculate the weighted average costs. Net realisable value is the estimated selling price less cost to sell.

Non-Monetary Government Grants: Viridor receives non-monetary government grants as a result of its business activities, in the form of Renewable Obligation Certificates (ROCs), Renewable Energy Guarantee of Origin (REGOs) and Packaging Recovery Notes (PRNs). These assets are traded within the ordinary course of business and are recognised within inventory at nominal value. Income generated from the sale to third parties are recognised within revenue when transferred to the customer.

## Viridor Limited

### Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

#### 2 Accounting policies (continued)

##### Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term highly liquid deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

##### Derivatives and other financial instruments

Financial instruments are recognised and measured in accordance with IFRS 9.

The Group classifies its financial instruments in the following categories:

##### *Debt instruments at amortised cost*

All loans and borrowings are initially recognised at fair value, net of transaction costs incurred. Following initial recognition interest-bearing loans and borrowings are subsequently stated at amortised cost using the effective interest method.

Gains and losses are recognised in the income statement when instruments are derecognised or impaired.

Premia, discounts and other costs and fees are recognised in the income statement through the amortisation process. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

##### *Trade payables*

Trade payables are not interest-bearing and are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

##### *Financial assets arising from service concession arrangements*

Where the provision of waste management services is performed through a contract with a public sector entity which controls a significant residual interest in asset infrastructure at the end of the contract, then consideration is treated as contract receivables, split between income from the construction of assets, operation of the service and the provision of finance which is recognised in notional interest within finance income.

##### *Derivative financial instruments and hedging activities*

The Group uses derivative financial instruments, principally RPI swaps and interest rate swaps to hedge cash flow risks associated with components of long-term contractual terms linked to a quoted index. The group also uses energy swaps to hedge cash flow risks associated with forecast transactions with a clearly defined market price risk. Derivative instruments are initially recognised at fair value on the date the derivative contract is entered into and subsequently re-measured at fair value for the reported balance sheet.

The Group generally designates its hedging derivatives as cash flow hedges due to there being a highly probable forecast transaction or change in the cash flows of a recognised asset or liability. The exception being energy swaps.

The gain or loss on remeasurement is recognised in the income statement except for cash flow hedges which meet the conditions for hedge accounting, when the portion of the gain or loss on the hedging instrument which is determined to be effective is recognised in other comprehensive income and the ineffective portion in the income statement. The gains or losses deferred in equity in this way are subsequently recognised in the income statement in the same period in which the hedged underlying transaction or firm commitment is recognised in the income statement.

In order to qualify for hedge accounting the Group is required to document, in advance, the relationship between the item being hedged and the hedging instrument. The Group is also required to document and demonstrate an assessment of the relationship between the hedged item and the hedging instrument which shows that the hedge will be highly effective on an ongoing basis. This effectiveness testing is re-performed at the end of each reporting period to ensure that the hedge remains highly effective.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than one year and as a current asset or liability when the remaining maturity of the hedged item is less than one year. Derivative financial instruments which do not qualify for hedge accounting are classified as a current asset or liability with any change in fair value recognised immediately in the income statement.

## **Viridor Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)**

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

##### *Receivables due from subsidiary undertakings*

Amounts owed by subsidiaries are classified and recorded at amortised cost and reduced by allowances for expected credit losses. Estimated future credit losses are first recorded on initial recognition of a receivable and are based on estimated probability of default.

##### **Borrowings**

All borrowings are initially recorded at the amount of proceeds received, net of transaction costs. Borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the income statement over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in finance costs.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

##### **Tax**

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in the statement of comprehensive income or directly in equity. In this case the tax is recognised in the statement of comprehensive income or directly in equity as appropriate.

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

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements and on unused tax losses or tax credits in the group. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

All deferred tax assets and liabilities within the same jurisdiction are offset.

##### **Provisions**

Provisions are made where there is a present legal or constructive obligation as a result of a past event and it is probable that there will be an outflow of economic benefits to settle this obligation and a reliable estimate of this amount can be made. Where the effect of the time value of money is material the current amount of a provision is the present value of the expenditures expected to be required to settle obligations. The unwinding of the discount to present value is included as a financial item within finance costs where applicable.

##### **Share capital**

Ordinary shares are classified as equity.

##### **Dividends**

Dividend distributions are recognised as a liability in the financial statements in the period in which the dividends are approved by the Company's shareholders. Interim dividends are recognised when paid. The Company does not pay a final dividend.

##### **Share based payments**

Certain employees of the Group receive shares in the capital of Planets Topco Limited (an indirect parent company of this Group). The fair value of the employee services required in exchange for the grant is recognised as an expense over the vesting period of the grant. Fair values are calculated using an appropriate pricing model. The grant date fair values of the awards are not remeasured once established. The cumulative fair value of the award is recognised over the vesting period in a share based payment reserve.

## **Viridor Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)**

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

##### **Fair values**

The fair values of short-term deposits, loans and overdrafts with a maturity of less than one year are assumed to approximate to their book values. In the case of non-current bank loans and other loans the fair value of financial liabilities for disclosure purposes is estimated by discounting the best estimate of future contractual cash flows at the current market interest rate available to the Group for similar financial instruments.

##### **Non-underlying items**

Non-underlying items are those that in the Directors' view are required to be separately disclosed by virtue of their size, nature or incidence to enable a full understanding of the Group's financial performance.

##### **Business combinations**

The Group accounts for all business combinations by applying the acquisition method. All acquisition-related costs are expensed.

On acquisition, the assets (including intangible assets), liabilities and contingent liabilities of an acquired entity are measured at their fair values. Non-controlling interests are stated at the non-controlling interests' proportion of the fair values of the assets and liabilities recognised.

If the acquisition does not meet the definition of a business combination, under IFRS 3, the Group elects to apply the concentration test which permits a simplified assessment of whether the acquired set of activities and assets is not a business. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. In such cases the Group shall identify and recognise the individual identifiable assets acquired and liabilities assumed. The cost of the group shall be allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction or event does not give rise to goodwill.

##### **Discontinued operations**

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit or loss.

## **Viridor Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)**

#### **3 Financial risk review**

##### **Group**

The financial risk management policies reflect conditions that existed through and at the year ending 31 March 2024.

##### **Financial risk factors**

The Group's activities expose it to a number of financial risks: liquidity risk, market risk (including interest rate risk, inflation risk, and energy price risk), and credit risk. Details of the nature of each of these risks along with the steps the Group has taken to manage them is described below.

The Group's treasury function seeks to ensure that sufficient funding is available to meet foreseeable needs and to maintain reasonable headroom for contingencies and manages financial risks.

These risks and treasury operations are managed by the Chief Financial Officer in accordance with policies established by the Board. Major transactions are individually approved by the Board.

Financial instruments, including derivatives, are used, where appropriate, to manage the risks of fluctuations in interest rates, inflation and other financial risks. The Group does not engage in speculative activity.

##### *Market risk*

Market risk relates to fluctuations in external market variables such as interest rates, inflation and exchange rates that affect the Group's income or the value of the financial instruments that it holds.

Of the Group's interest-bearing financial liabilities at the year-end, 94% (2023: 94%) were at fixed rates after the impact of financial derivatives designed to manage the risk of fluctuating interest rates impacting the financial performance of the Group.

The Group has long term contracts with customers for the processing of waste, and some of the prices are linked to the RPI index. The group has entered into RPI swap contracts which effectively fix RPI on 100% of forecast contractual RPI-linked revenue from local authority customers until 2036, and 85% until 2043. RPI swap contracts effectively fix RPI on between 63%-93% of forecast contractual RPI-linked revenue from all customers over the same period.

The Group's primary exposure to exchange rates arises from contractual commitments to incur expenditure in Euros, primarily in relation to major capital projects. The group uses a combination of Euro cash deposits to manage this risk. There was no material net exposure at the year-end.

##### *Liquidity risk*

The Group maintains facilities that are designed to ensure significant available funds for operations, planned expansions and facilities equivalent to at least one year's forecast requirements at all times, with reasonable headroom for contingencies. Prior to the payment of dividends in year ended 31 March 2024, a financial covenant was assessed with resulting headroom.

This financial covenant is a debt service coverage ratio comparing cash generated during a twelve-month period against interest payments and other debt service costs. Additional covenants limit the Group's ability to enter into certain transactions, including placing limits on its ability to pay dividends. The Group has complied with these covenants throughout the financial year.

## **Viridor Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)**

#### **3 Financial risk review (continued)**

The 'Viridor Energy' debt is structured in 4 tranches. Each tranche ranks equally in the security package which, along with the revolving credit facility, bonding facility and derivative contracts, is secured over the the majority of the assets of the business.

Facility A, issued by Viridor Energy (Investments Two) Limited and totalling £780.0m, forms an amortising debt, with the final payment due on 1 December 2033. It has an interest rate which is initially SONIA+1.60%, increasing to SONIA+1.70% in 2024 and to SONIA+1.80% in 2028.

Facility B, also issued by Viridor Energy (Investments Two) Limited and totalling £120.0m, has a single repayment due on 18 September 2027. It has a fixed interest rate of 2.703%.

The Private Placement Notes, issued by Viridor Energy Group Limited and listed in Jersey totalled £1,585.0m, forms an amortising debt, with the final payment due on 31 March 2043. The amortisation profile is designed to maintain a forecast debt service coverage ratio when combined with the debts above. It has a fixed interest rate of 2.90%.

Term Loan, issued by Viridor Energy (Investments Two) Limited (a subsidiary of Viridor Energy (Investments One) Limited) and totalling £75.0m, has a single repayment due on 17 March 2028. It has an interest rate of SONIA+1.40%.

Viridor Energy (Investments Two) Limited also has a general purpose revolving credit facility (RCF) of £65.0m intended to support liquidity of the Viridor Energy subgroup, and a further debt service reserve facility of £65.0m which is a dedicated revolving credit facility that can only be used to meet its debt service payment obligations. These facilities expire on 1 December 2026. The general RCF was drawn £15m at 31 March 2024. Drawn facilities bear interest at SONIA+1.25%.

Viridor Limited and its major subsidiaries (but excluding the subgroup headed by Viridor Energy Investments Ltd) are obligors under the £250m Planets UK Bidco Limited revolving credit facility. During the year this facility was increased from £200m to £250m. Contractual arrangements are in place such that Viridor Limited can access this facility when required. No balances were drawn on the facility at 31 March 2024. This facility is intended to support liquidity and also to provide short term funding for significant capital projects. Drawn facilities bear interest at SONIA+2.50%.

## Viridor Limited

### Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

#### 3 Financial risk review (continued)

##### Maturity analysis for financial liabilities and financial assets

Contractual undiscounted cash flows, including interest payments, at the balance sheet date were:

##### Group

2024	Less than 1 year	1-5 years	More than 5 years	Total
	£ m	£ m	£ m	£ m
Non-derivative liabilities				
Borrowings excluding lease liabilities	87.6	524.8	1,817.5	2,429.9
Interest payments on borrowings	94.9	297.8	428.3	821.0
Lease liabilities including interest	5.1	13.5	50.4	69.0

2023	Less than 1 year	1-5 years	More than 5 years	Total
	£ m	£ m	£ m	£ m
Non-derivative liabilities				
Borrowings excluding lease liabilities	70.6	511.9	1,903.0	2,485.5
Interest payments on borrowings	95.9	320.7	486.5	903.1
Lease liabilities including interest	3.7	12.0	45.2	60.9

##### Credit risk

Credit and counterparty risk arises from cash and cash deposits and deposits with bank and financial institutions, as well as exposure to customers, including outstanding receivables. Further information on the credit risk relating to trade receivables is given in note 24.

Counterparty risk arises from the investment of surplus funds and from the use of derivative financial instruments. The Group follows a policy for managing such risk which is controlled through credit limits, counterparty approvals and rigorous monitoring procedures.

The Group has no other significant concentration of credit risk. The Group's surplus funds are managed by the Group's treasury function and, where sufficient incremental yield is available, are placed in short term deposits or the overnight money markets. Deposit counterparties must meet minimum criteria based on their short-term credit ratings and therefore be of good credit quality.

##### Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure in order to minimise the cost of capital.

##### Commodity risk

The Group is exposed to availability and price fluctuations in the recycle markets in which it operates. The Group mitigates this risk with a combination of long-term contracts with local authorities, which secures substantial amounts of recycle materials and by extensive cost control and continual efficiency management programmes at its recycling plants.

##### Energy price risk

The Group is exposed to price fluctuations in the energy supply market. It seeks to mitigate this risk with a combination of forward sale contracts, supported by energy derivatives, in line with a Board approved policy. Due to the complex interactions between these different contracts the Group has not designated the energy derivatives as hedging instruments for accounting purposes as at 31 March 2024.

## **Viridor Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)**

#### **3 Financial risk review (continued)**

##### **Determination of fair values**

The fair value of financial assets and liabilities represents the price that would be received to sell an asset or paid to transfer a liability between informed and willing parties, other than in a forced or liquidation sale at the measurement date. The techniques for determining the fair value of financial instruments are classified under the hierarchy defined in IFRS 13 Fair Value Measurement which categorises inputs to valuation techniques into levels one to three based on the degree to which fair value is observable. The Group's financial instruments are valued using level two measures, as analysed in note 25.

The fair value of derivative financial instruments, including interest rate swaps and index-linked swaps, are measured using discounted cash flows. The future cash flows are estimated based on observable forward interest rates and discounts at a rate that reflects the credit risk of the Group and counterparties. Currency cash flows are translated as spot rate.

The carrying values less expected credit losses of the Group's trade and other receivables, lease liabilities, cash and cash equivalents, short term investments, trade and other payables are considered to be approximate to their fair values. The fair value of financial liabilities is estimated by discounting the future contractual cash flows at the current market interest rates available to the Group for similar financial instruments.

The carrying values less expected credit losses of trade receivables and payables are assumed to approximate to their fair values. The fair value of financial liabilities is estimated by discounting the future contractual cash flows at the current market interest rate available to the Group for similar financial instruments.

## Viridor Limited

### Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

#### 4 Critical accounting judgements and key sources of estimation uncertainty

The Group's principal accounting policies are set out in note 2. Management is required to exercise significant judgement and make use of estimates and assumptions in the application of these policies. Estimates are based on factors including historical experience and expectations of future events that management believe to be reasonable. However, given the judgemental nature of such estimates, actual results could be different from the assumptions used.

##### **Impairment of goodwill and property, plant and equipment**

The Group tests goodwill for impairment of cash generating units annually, or more frequently if there are any indications that impairment may have arisen. The recoverable amount of the CGUs have been assessed using a value in use or fair value less costs to sell. The results of the tests performed during the year identified an impairment of £11.6 million (2023: £13.3 million). Further information is provided in note 15. In addition, the results of the tests highlighted an impairment to property, plant and equipment of £17.6 million (2023: £nil), further information is provided in note 17.

##### **Control over Quantafuel AS**

Note 21 describes that the subsidiaries within the Quantafuel Group are subsidiaries of the Group even though the Group holds 45.6% of the issued share capital.

The Directors assessed whether or not the Group has control over the Quantafuel Group, determining that the Group is exposed, and has right, to variable returns, with the power and influence over the entity to affect those returns, by virtue of the terms of the share ownership agreement. Therefore, the Group has accounted for the entities as subsidiaries.

##### **Service concession arrangements**

Consideration from public sector entities for the operation of waste management service concessions are treated as contract receivables or other intangible assets, depending on the right to receive cash from the asset. At the balance sheet date there were contract receivables of £235.8 million (2022: £237.0 million) and other intangible assets of £27.3 million (2023: £28.4million) in relation to its service concession arrangements.

Consideration relating to contract receivables is split between profit on the construction of assets, operation of the service and provision of finance recognised as interest receivable. Management's judgement is used in the allocation between these three elements, this assessment reflects external market conditions according to the type of service provided and project specific cash flow expectations.

##### **Non-underlying items**

In establishing which items are disclosed separately as non-underlying, to enable a full understanding of the Group's financial performance, the Directors exercise their judgement in assessing the size, nature or incidence of specific items. See note 6.

##### **Impairment of intangible assets**

The Group tests intangible assets for impairment (or impairment reversal) for its cash generating units (CGUs) if there are any indications that an impairment may have arisen (or an impairment reversal is required). In particular, the Glasgow CGU was impaired in the year ended 31 March 2023, and given the increase in operating costs as a result of macroeconomic trends, a further impairment test has been performed in the current year. The recoverable amount of the Glasgow CGU has been assessed using a value in use methodology, and the results of this test identified no impairment (2023: £12.0 million). Further information is provided in note 16.

## Viridor Limited

### Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

#### 5 Discontinued operations

##### 2023

During the prior year, the decision was made to close the Polymer Recycling Facility in Skelmersdale, with trade ceasing in January 2023. Accordingly, the prior year's results have been presented as discontinued operations.

The results of the discontinued operations, which have been included in the consolidated income statement, were as follows:

	<b>2023</b>
	<b>£ m</b>
Revenue	21.1
Elimination of intra-group revenue	(18.0)
Expenses	(28.4)
Elimination of intra-group costs	<u>5.8</u>
Loss before tax	(19.5)
Tax expense relating to the gain/(loss) on discontinuance	<u>3.6</u>
<b>Net loss attributable to discontinued operations</b>	<b><u>(15.9)</u></b>

The discontinued operations results contributed the following to the group cash flow:

	<b>2023</b>
	<b>£ m</b>
Net cash outflows from operating activities	(18.7)
Net cash inflows from financing activities	<u>18.7</u>
Net cash inflows/(outflows) arising on disposal	<u><u>-</u></u>

## Viridor Limited

### Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

#### 6 Non-underlying items

Non-underlying items are those that in the Directors' view are required to be separately disclosed by virtue of their size, nature or incidence to enable a full understanding of the Group's financial performance in the year and business trends over time.

	2024	2023
	£ m	£ m
<b>Operating costs</b>		
<b>Employment costs</b>		
Pension settlement (b)	-	(35.8)
<b>Depreciation / Amortisation / Impairment</b>		
Impairment of intangible assets (a)	(12.9)	-
Impairment of plant & machinery (a)	(14.9)	-
<b>Net finance costs</b>		
Pension settlement (b)	-	0.3
<b>Operating loss</b>	<u>(27.8)</u>	<u>(35.5)</u>
<b>Discontinued activities</b>		
<b>Income statement net non-underlying charge</b>	<u>(27.8)</u>	<u>(35.5)</u>

- (a) The current year impairment test of the Skive PtL CGU resulted in an impairment charge of £27.8m of which £10.0m was allocated to goodwill and the remainder was allocated proportionately to tangible (£14.9m) and intangible (£2.9m) assets.
- (b) Viridor had not participated in the Greater Manchester Pension Fund (GMPF) since the exit from the Manchester contract in 2019 and an agreement was reached in the year ended 31 March 2023 over the surplus on exit. A settlement loss of £35.5m appeared in the income statement, equal to the uncapped surplus, with an offsetting amount in other comprehensive income.

## Viridor Limited

### Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

#### 7 Revenue and operating costs

The grouping of revenue streams, analysed by different types of revenue streams geographically, is as follows:

	UK £ m	Europe £ m	Rest of World £ m	Total £ m
<b>31 March 2024</b>				
Waste management services	379.9	-	-	379.9
Energy	131.1	-	-	131.1
Recyclate	50.4	18.0	-	68.4
	<u>561.4</u>	<u>18.0</u>	<u>-</u>	<u>579.4</u>
	UK £ m	Europe £ m	Rest of World £ m	Total £ m
<b>31 March 2023</b>				
Waste management services	371.5	-	-	371.5
Energy	222.6	-	-	222.6
Recyclate	54.0	23.0	1.0	78.0
	<u>648.1</u>	<u>23.0</u>	<u>1.0</u>	<u>672.1</u>

The Group's country of domicile is the United Kingdom and is the country in which it generates most of its revenue. The Group's non-current assets are primarily located in the United Kingdom.

#### Continuing operating costs (before non-underlying items)

	Note	2024 £ m	2023 £ m
Employment costs	13	<u>81.4</u>	<u>67.9</u>
Raw materials and consumables used		<u>45.1</u>	<u>62.1</u>
<b>Other operating costs</b>			
Profit on disposal of property, plant and equipment		(1.1)	(1.1)
Short-term and low value lease rentals payable		1.8	2.9
Impairment of trade receivables		0.2	0.7
Hired and contracted services		90.2	100.5
Engineering maintenance services		57.1	50.8
Foreign exchange movements		(1.4)	(0.6)
Other external charges		<u>118.2</u>	<u>114.8</u>
		<u>265.0</u>	<u>268.0</u>
Depreciation of property, plant and equipment		<u>70.3</u>	<u>52.7</u>
Amortisation of intangible assets		<u>6.4</u>	<u>29.0</u>

**Viridor Limited**

**Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)**

**8 Auditor's remuneration**

	<b>2024</b>	<b>2023</b>
	<b>£ m</b>	<b>£ m</b>
Audit of these financial statements	0.5	0.4
Audit of the financial statements of subsidiaries	0.6	0.6
	<u>1.1</u>	<u>1.0</u>

**9 Finance income and costs**

**Continuing activities**

	<b>Note</b>	<b>2024</b>	<b>2023</b>
		<b>£ m</b>	<b>£ m</b>
<b>Finance income</b>			
Gain on derivatives at fair value through profit or loss		86.8	18.3
Other finance income		3.7	0.9
Interest income on loans to related parties	35	11.5	42.8
Retirement benefit obligation	29	-	1.2
Interest receivable on service concession arrangements		13.6	13.5
Total finance income		<u>115.6</u>	<u>76.7</u>
<b>Finance costs</b>			
Interest on external borrowings		(80.2)	(74.5)
Interest element of lease rentals		(2.7)	(2.4)
Loss on derivatives at fair value through profit or loss		-	(2.5)
Other finance costs		(2.3)	(0.1)
Retirement benefit obligations	29	-	(0.9)
Total finance costs		<u>(85.2)</u>	<u>(80.4)</u>
<b>Net finance income/(costs)</b>		<u>30.4</u>	<u>(3.7)</u>

**Viridor Limited**

**Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)**

**10 Income tax**

Tax charged/(credited) in the income statement

	Before non- underlying items	Non- underlying items (Note 6)	Total	Before non- underlying items	Total
	2024	2024	2024	2023	2023
	£ m	£ m	£ m	£ m	£ m
<b>Current taxation</b>					
UK corporation tax	8.0	-	8.0	29.9	29.9
<b>Deferred taxation</b>					
Deferred tax	<u>70.0</u>	<u>-</u>	<u>70.0</u>	<u>(16.4)</u>	<u>(16.4)</u>
Tax charge reported in the income statement	<u><b>78.0</b></u>	<u><b>-</b></u>	<u><b>78.0</b></u>	<u><b>13.5</b></u>	<u><b>13.5</b></u>

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2023: the same as the standard rate of corporation tax in the UK) of 25% (2023: 19%).

The differences are reconciled below:

	2024	2023
	£ m	£ m
Profit/(loss) before tax from continuing operations	153.6	167.2
(Loss)/profit before tax from discontinued operations	-	(19.5)
Profit before tax	<u><b>153.6</b></u>	<u><b>147.7</b></u>
Corporation tax at standard rate	38.4	28.1
Increase (decrease) from effect of capital allowances depreciation	-	2.1
Increase from effect of expenses not deductible in determining taxable profit	0.3	12.7
Decrease from effect of joint-venture results reported net of tax	-	(2.7)
Decrease in current tax from adjustments to prior periods	(2.9)	(4.8)
(Recognition)/derecognition of deferred tax assets	32.7	(7.9)
Deferred tax (credit)/charge relating to changes in tax rates or laws	-	(23.6)
Profit on sale of investments	1.2	-
Other tax effects for reconciliation between accounting profit/(loss) and tax charge	-	3.4
Movement in uncertain tax positions	6.9	6.2
Increase (decrease) from effect of foreign tax rates	<u>1.4</u>	<u>-</u>
<b>Total tax charge</b>	<u><b>78.0</b></u>	<u><b>13.5</b></u>

The average total effective rate for the year, before non-underlying items is 50.7% (2023: 9.2%).

## Viridor Limited

### Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

#### 10 Income tax (continued)

In addition to the amounts recognised in the income statement the following tax charges and credits were also recognised:

	2024			2023		
	Before tax £ m	Tax charge £ m	Net of tax £ m	Before tax £ m	Tax credit £ m	Net of tax £ m
<b>Amounts recognised directly in other comprehensive income</b>						
Gain or loss on cash flow hedges	7.1	(1.5)	5.6	46.0	(11.6)	34.4
Foreign currency translation gains or losses	(5.7)	-	(5.7)	-	-	-
Remeasurements of post employment benefit obligations	-	-	-	35.5	-	35.5
Share of associates and joint ventures other comprehensive income	0.7	-	0.7	(2.0)	-	(2.0)
	<u>2.1</u>	<u>(1.5)</u>	<u>0.6</u>	<u>79.5</u>	<u>(11.6)</u>	<u>67.9</u>

The Group has a current tax payable of £9.2 million payable (2023: £18.7 million payable).

The Group continues to have a small number of ongoing uncertain tax positions. These relate primarily to the reallocation of historic tax payments from entities outside the Group following the conclusion of the HMRC enquiries into the Energy Recovery Facilities ("ERFs") under IFRIC 12. This is part of the normal course of business and the Group estimates there would be a cash outflow of £27.4m (2023: £25.4m) which is made up of a current tax charge and interest should the cash not be recoverable from previous Group members. This has been provided as at 31 March 2024.

## Viridor Limited

### Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

#### 10 Income tax (continued)

##### Deferred tax

##### Group

##### Deferred tax assets and liabilities

Deferred tax is provided in full on temporary differences under the liability method using enacted tax rates. Deferred tax assets have been recognised in respect of all temporary differences giving rise to deferred tax assets because its probable that these assets will be recovered. The majority of the deferred tax is expected to be recovered over more than one year. All deferred tax assets within the same jurisdiction are offset.

Deferred tax movement during the year:

	At 1 April 2023	Income statement	Acquisition net of foreign exchange	Other compre- hensive income	At 31 March 2024
	£ m	£ m	£ m	£ m	£ m
Revenue on service concession arrangements	(45.4)	(0.8)	-	-	(46.2)
Accelerated tax depreciation	(127.9)	(0.7)	(9.6)	-	(138.2)
Provisions	0.7	(0.1)	-	-	0.6
Derivatives	64.3	(23.5)	-	(1.5)	39.3
Corporate interest restriction	23.1	(15.7)	-	-	7.4
Tax losses carry-forwards	28.7	(28.3)	3.6	-	4.0
Pension benefit obligations	0.0	-	-	-	0.0
Intangibles	(3.4)	(0.9)	(2.0)	-	(6.3)
Other items	1.0	-	-	-	1.0
Net tax assets/(liabilities)	<u>(58.9)</u>	<u>(70.0)</u>	<u>(8.0)</u>	<u>(1.5)</u>	<u>(138.4)</u>

In addition to the deferred tax balances above, the Group has additional unrecognised gross losses of £221.6m (2023: £nil)

Deferred tax movement during the prior year:

	At 1 April 2022	Income statement	Acquisition net of foreign exchange	Other compre- hensive income	At 31 March 2023
	£ m	£ m	£ m	£ m	£ m
Revenue on service concession arrangements	(44.6)	(0.8)	-	-	(45.4)
Accelerated tax depreciation	(120.5)	(7.4)	-	-	(127.9)
Provisions	0.9	(0.2)	-	-	0.7
Derivatives	81.0	(5.1)	-	(11.6)	64.3
Corporate interest restriction	-	23.1	-	-	23.1
Tax losses carry-forwards	19.4	9.3	-	-	28.7
Pension benefit obligations	0.1	(0.1)	-	-	0.0
Intangibles	-	(3.4)	-	-	(3.4)
Other items	-	1.0	-	-	1.0
Net tax assets/(liabilities)	<u>(63.7)</u>	<u>16.4</u>	<u>-</u>	<u>(11.6)</u>	<u>(58.9)</u>

## Viridor Limited

### Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

#### 11 Profit of the parent company

	2024 £ m	2023 £ m
Profit attributable to owners of the parent dealt with in the financial statements of Viridor Limited	<u>100.5</u>	<u>764.8</u>

As permitted by Section 408 of the Companies Act 2006 no income statement or statement of comprehensive income is presented for the Company.

#### 12 Dividends

	Group 2024 £ m	2023 £ m
16.0p per share was paid for the year ended 31 March 2024 (2023: 239.0p per share was paid)	<u>143.8</u>	<u>2,147.2</u>
	<u>143.8</u>	<u>2,147.2</u>

The Company paid £112.0m in dividends at 12.0p per share (2023: £2,088.8m, 233.0p per share).

#### 13 Employment costs (before non-underlying items)

The aggregate payroll costs (including directors' and senior management remuneration) were as follows:

	2024 £ m	2023 £ m
Wages and salaries	70.7	60.9
Social security costs	8.0	7.2
Other post-employment benefit costs	<u>2.7</u>	<u>2.2</u>
	<u>81.4</u>	<u>70.3</u>
Employment costs	81.4	67.9
Discontinued employment costs	<u>-</u>	<u>2.4</u>
	<u>81.4</u>	<u>70.3</u>

In addition to the above there are non-underlying employment costs of £- million (2023: £35.8 million costs) as detailed under note 6.

Details of transactions with key management personnel are set out in note 35.

The average number of persons employed by the group (including directors and senior management) during the year, analysed by category was as follows:

	2024 No.	2023 No.
Operations	783	796
Administration and support	<u>211</u>	<u>218</u>
	<u>994</u>	<u>1014</u>

## Viridor Limited

### Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

#### 14 Business Combinations

On 28 April 2023, the group acquired 81.5% of the issued share capital and voting rights of Quantafuel ASA, obtaining control. The principal activity of Quantafuel is to convert waste plastics back into low-carbon synthetic oil product.

Quantafuel's integration into Viridor Polymers solidifies the Group's position as a key player in the polymer recycling sector and underscores our shared commitment to driving innovation and sustainability in the drive towards a circular economy where nothing goes to waste.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below:

	Note	Pre-acquisition carrying value £ m	Fair value adjustment £ m	Acquisition accounting adjustments £m	Fair value £ m
Intangible assets	16	14.7	(5.8)	-	8.9
Property, plant and equipment	17	43.4	-	-	43.4
Right of use assets	18	7.2	0.8	-	8.0
Investment in joint venture	22	10.4	2.6	-	13.0
Shareholder loan to joint venture	20	17.6	(0.3)	-	17.3
Other receivables (non-current)		1.2	-	-	1.2
Current assets		3.2	-	-	3.2
Cash and cash equivalents		3.0	-	-	3.0
Current liabilities		(6.5)	-	-	(6.5)
Borrowings	28	(5.2)	-	-	(5.2)
Lease liabilities	28	(8.0)	-	-	(8.0)
Other non-current liabilities		(0.5)	-	-	(0.5)
Deferred tax liabilities		(8.4)	0.1	-	(8.3)
<b>Net assets acquired</b>		<b>72.1</b>	<b>(2.6)</b>	<b>-</b>	<b>69.5</b>
Goodwill	15	-	-	10.4	10.4
Non-controlling interest		-	-	(14.8)	(14.8)
<b>Total consideration</b>		<b>72.1</b>	<b>(2.6)</b>	<b>(4.4)</b>	<b>65.1</b>
<b>Satisfied by:</b>					
Cash		-	-	-	<b>65.1</b>
<b>Cash flow analysis:</b>					
Cash consideration		-	-	-	65.1
Less: cash and cash equivalent balances acquired		-	-	-	(3.0)
Net outflow of cash investing activities		-	-	-	<b>62.1</b>

## Viridor Limited

### Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

#### 14 Business Combinations (continued)

At the date of acquisition, the non-controlling interest in the entity was 18.5%. The Group has elected to measure the non-controlling interest using the fair value method. The fair value was determined based on an arms-length offer to all shareholders was made of NOK 6.38 per share and those holding the non-controlling interest could agree to sell their shares for NOK 6.38 on the acquisition date. As such, NOK 6.38 per share was deemed to be an appropriate proxy for the fair value of the shares making up the non-controlling interest.

The valuation technique used for measuring the fair value of material assets acquired were as follows:

Assets acquired	Valuation technique
Intangible assets – Intellectual property	Income approach (relief from royalty) - this method considers the after-tax royalties avoided by owning the IP rather than renting from a third party over its useful economic life (“UEL”).
Intangible assets – Brand	Income approach (relief from royalty) - this method considers the after-tax royalties avoided by owning the Brand rather than renting from a third party over its useful economic life (“UEL”).

The fair value of the financial assets includes receivables with a fair value of £0.9 million and a gross contractual value of £0.9 million.

The goodwill of £10.4 million arising from the acquisition consists of the benefits that are expected to be achieved as a result of the combination of the two businesses, and the expertise of the assembled workforce acquired. There were no contingent liabilities. None of the goodwill is expected to be deductible for income tax purposes.

Acquisition-related costs (included in administrative expenses) amount to £4.0 million.

Quantafuel contributed £5.1 million revenue and a £40.4 million loss to the group's result for the period between the date of acquisition and the balance sheet date. If the acquisition of Quantafuel had been completed on the first day of the financial year, Quantafuel's contribution to group revenue and group profit would not have been materially different. ◊

From April to July 2023, the Group has acquired a further 1.8% interest in Quantafuel, increasing its ownership from 81.5% to 83.3% through regular trades on the Euronext Norwegian stock exchange. The carrying amount of Quantafuel's net assets in the Group's consolidated financial statements in July 2023 was £66.3m. The carrying amount of the non-controlling interest acquired was £1.2m and the consideration paid was £1.4m.

On 18 January 2024, the Group's immediate parent company, Planets UK Bidco Limited, converted an outstanding loan receivable balance of £42.2m from Quantafuel AS into newly-issued ordinary shares in the Company. This had the effect of diluting Viridor Limited's ownership from 83.3% to 45.6%. Therefore, at that date, the non-controlling interest was 54.4%, of which 45.3% was owned by Planets UK Bidco Limited and 9.1% was owned by minority shareholders. The carrying amount of Quantafuel's net assets in the Group's consolidated financial statements at that date was £85.6m.

Subsequently, on 7 February 2024, Planets UK Bidco Limited acquired the remaining minority shareholding in Quantafuel of 9.1%. This transaction had no impact on the non-controlling interest in Viridor Limited's consolidated financial statements.

As part of the business combination, a deferred tax liability of £2.0m has been recognised on the fair value of the intangible assets acquired, measured using the Norwegian tax rate of 22%.

## **Viridor Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)**

#### **14 Business Combinations (continued)**

##### **Year ended 31 March 2023**

During the prior year, the Group invested £12m to acquire 20% of the total issued share capital of Thameside Energy Recovery Facility Limited. The company holds the rights to develop an ERF in Tilbury, Essex. The acquisition complements the existing knowledge and skills within the Group. The Group will also acquire the remaining 80% of the total issued share capital of Thameside Energy Recovery Facility Limited at a price of £46m, if certain conditions as specified in the Share Purchase and Shareholders' Agreement ("SPA") are met.

The directors have determined that control of Thameside Energy Recovery Facility Limited is held by the Group despite owning 20% of the issued capital of this entity. Based on the contractual arrangement as per the SPA, it is considered as a subsidiary, because the Group is exposed, and has right, to variable returns from this entity and is able to use its power over the entity to affect those returns.

The Group applied the optional concentration test as per IFRS 3 and accounted for the transaction as an asset acquisition as all of the fair value of the gross assets of Thameside Energy Recovery Facility Limited on the date of acquisition is comprised in an intangible asset - development rights (see note 16).

The non-controlling interest for the 80% of the total share capital has been measured at its fair value of £46.0m as at the date of acquisition (see note 33).

## Viridor Limited

### Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

#### 15 Goodwill

	Note	£ m
<b>Cost</b>		
At 1 April 2022		316.6
At 31 March 2023		316.6
At 1 April 2023		316.6
Additions	14	10.4
Foreign exchange movements		(0.4)
At 31 March 2024		326.6
<b>Impairment</b>		
At 1 April 2022		-
Impairment charge for year		13.3
At 31 March 2023		13.3
At 1 April 2023		13.3
Impairment charge for year		11.6
At 31 March 2024		24.9
<b>Carrying amount</b>		
<b>At 31 March 2024</b>		<b>301.7</b>
<b>At 31 March 2023</b>		<b>303.3</b>

The goodwill for each Cash Generating Unit (CGU) group is reviewed annually for impairment, or more regularly where there is a triggering event. Goodwill is monitored by management in accordance with the strategy of the business and at the aggregation of CGUs - as follows

	31 March 2024 £ m	31 March 2023 £ m
Runcorn II ERF	55.0	55.0
Avonmouth ERF	52.6	52.6
Ardley ERF	48.0	48.0
Trident Park ERF	43.2	43.2
Other ERF CGUs (2023: 8 CGUs, 2022: 7 CGUs)	102.9	102.9
Polymers (2023: 3 CGUs, 2022: 3 CGUs)	-	1.6
	<b>301.7</b>	<b>303.3</b>

## Viridor Limited

### Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

#### 15 Goodwill (continued)

##### ERF CGUs

The recoverable amount of the ERF business has been assessed based on fair value by reference to transactions selling minority interest stakes in the energy business. The headroom across the CGUs is £5.0 billion (2023: £4.5 billion).

##### Polymers CGUs

The recoverable amount of the Polymers CGUs has been determined based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. The projected cash flows for the Avonmouth Polymers CGU have been updated to reflect the continuing operational ramp up and a theoretical recoverable amount of £112.9m has been determined which is a point in time estimate. The pre-tax discount rate applied to cash flow projections is 10.8% (2023: 9%) and cash flows beyond the five-year period are extrapolated using a terminal value multiplier. As a result of this analysis, management has recognised an impairment charge of £1.6m (2023: £13.3m) in the year against goodwill relating to the Avonmouth Polymers CGU.

##### Key assumptions used in value in use calculations

The calculation of value in use for the Polymers CGU's is most sensitive to the following assumptions:

- Offtake volumes - This is the expected sales volume.
- Material margin - This is the expected gross margin, which is determined by subtracting the expected infeed cost from the expected sales price.
- Discount rates – Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital (WACC). Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate.

##### Skive PtL CGU

The recoverable amount of the Skive PtL CGU has been determined based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. These projected cash flows reflect the operational streamlining that is taking place following the Viridor acquisition and a theoretical recoverable amount of £21.5m has been determined which is a point in time estimate. The pre-tax discount rate applied to cash flow projections is 10.8% and cash flows beyond the five-year period are extrapolated using a terminal value multiplier. As a result of this analysis, management has recognised an impairment charge of £10.0m in the year to goodwill.

##### Key assumptions used in value in use calculations

The calculation of value in use for the Skive PtL CGU is most sensitive to the following assumptions:

- Processed infeed volume - This is the expected volume of infeed plastics that can be processed by the plant in its current condition in order to produce pyrolysis oil for selling.
- Primary yield - This is the primary content multiplied by the recovery rate, which indicates what proportion of infeed has made it through to the end of the process becoming pyrolysis oil.
- Infeed cost - This is the expected cost of raw material infeed.
- Discount rates – Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital (WACC). Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate.

## Viridor Limited

### Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

#### 16 Other intangible assets

##### Group

	Note	Service concession arrangements £ m	Other intangible assets £ m	Total £ m
<b>Cost</b>				
At 1 April 2022		99.3	16.4	115.7
Additions		0.6	62.5	63.1
At 31 March 2023		99.9	78.9	178.8
At 1 April 2023		99.9	78.9	178.8
Additions		0.7	2.9	3.6
Acquired through business combinations	14	-	8.9	8.9
Disposals		-	(0.5)	(0.5)
Foreign exchange movements		-	(0.3)	(0.3)
At 31 March 2024		100.6	89.9	190.5
<b>Amortisation and impairment</b>				
At 1 April 2022		57.6	0.6	58.2
Amortisation charge		1.9	1.8	3.7
Impairment		12.0	-	12.0
At 31 March 2023		71.5	2.4	73.9
At 1 April 2023		71.5	2.4	73.9
Amortisation charge		1.8	2.1	3.9
Amortisation eliminated on disposals		-	(0.1)	(0.1)
Impairment		-	3.7	3.7
At 31 March 2024		73.3	8.1	81.4
<b>Carrying amount</b>				
At 31 March 2024		<u>27.3</u>	<u>81.8</u>	<u>109.1</u>
At 31 March 2023		<u>28.4</u>	<u>76.5</u>	<u>104.9</u>
At 1 April 2022		<u>41.7</u>	<u>15.8</u>	<u>57.5</u>

Service concession arrangements are amortised over the useful life of each contract. The weighted average remaining life is 20 years (2023: 21 years).

In the prior year other intangible asset additions include the acquisition of an intangible asset through the Thameside Energy Recovery Facility Ltd acquisition (see Note 14), representing the development rights of an ERF at Tilbury. The asset is not currently being amortised. Amortisation will commence when the facility becomes operational.

Other intangible assets also relate to computer software. Software is amortised over the useful life of the asset.

## Viridor Limited

### Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

#### 16 Other intangible assets (continued)

The recoverable amount of the service concession arrangement within the Glasgow CGU has been determined based on a value in use calculation using cash flow projections for the length of the operating contract which are consistent with the cashflows used for the unwind of the financial asset under IFRS 15. The projected cash flows for the Glasgow CGU have been updated to reflect an increase in third party input tonnes following the appointment of an additional third party contract during the year. The pre-tax discount rate applied to cash flow projections is 9.3% (2023: 6.2%) and cash flows beyond the review period are extrapolated using an appropriate inflation curve. As a result of this analysis, management has recognised an impairment charge of £nil (2023: £12m) against the service concession arrangement intangible relating to the Glasgow CGU leaving a carrying amount of £27.4m (2023: £28.4m).

The calculation of value in use is most sensitive to the following assumptions: Advance Conversion Facility (ACF) availability, third party tonnage, inflation rates and discount rates. Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital (WACC). Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate.

Of the impairment loss within Other intangible assets, £2.9m represents the write-down of certain intangibles in the Skive PtL CGU to the recoverable amount. The recoverable amount was based on value in use and was determined at the level of the CGU. In determining value in use for the CGU, the cash flows were discounted at a rate of 10.8% on a pre-tax basis. See note Goodwill for the key assumptions. As an impairment loss has been recognised in the current year the recoverable amount is equal to its carrying value at the year end and therefore any negative changes in key assumptions would result in an additional impairment loss.

## Viridor Limited

### Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

#### 17 Property, plant and equipment

There was no property, plant and equipment held by the Company during the year.

#### Group

	Note	Land and buildings £ m	Fixed and mobile plant, vehicles and computers £ m	Assets under construction £ m	Total £ m
<b>Cost</b>					
At 1 April 2022		17.5	1,557.1	9.3	1,583.9
Additions		-	-	26.6	26.6
Disposals		(0.2)	(3.6)	-	(3.8)
Transfers/reclassifications		-	26.8	(26.8)	-
At 31 March 2023		17.3	1,580.3	9.1	1,606.7
At 1 April 2023		17.3	1,580.3	9.1	1,606.7
Acquired through business combinations	14	-	39.7	3.7	43.4
Additions		-	-	33.3	33.3
Disposals		-	(4.5)	(0.8)	(5.3)
Transfers/reclassifications		(5.2)	25.8	(25.5)	(4.9)
Foreign exchange movements		-	(1.3)	(0.3)	(1.6)
At 31 March 2024		12.1	1,640.0	19.5	1,671.6
<b>Depreciation and impairment</b>					
At 1 April 2022		-	232.0	-	232.0
Charge for year		-	49.4	-	49.4
Eliminated on disposal		-	(1.1)	-	(1.1)
At 31 March 2023		-	280.3	-	280.3
At 1 April 2023		-	280.3	-	280.3
Charge for the year		-	55.6	-	55.6
Eliminated on disposal		-	(2.7)	-	(2.7)
Impairment		-	21.0	-	21.0
Foreign exchange movements		-	0.1	-	0.1
At 31 March 2024		-	354.3	-	354.3
<b>Carrying amount</b>					
At 31 March 2024		<u>12.1</u>	<u>1,285.7</u>	<u>19.5</u>	<u>1,317.3</u>
At 31 March 2023		<u>17.3</u>	<u>1,300.0</u>	<u>9.1</u>	<u>1,326.4</u>

Groups of assets forming cash generating units are reviewed for indicators of impairment. Of the impairment loss within 'Fixed and mobile plant', £14.9m represents the write-down of certain fixed assets in the Skive PtL CGU and £2.7m represents the write-down of certain fixed assets in the Avonmouth Polymers CGU to their recoverable amounts. The recoverable amounts were based on value in use and were determined at the level of the CGU. In determining value in use for the CGUs, the cash flows were discounted at a rate of 10.8% on a pre-tax basis for the Skive PtL CGU and 10.8% on a pre-tax basis for the Avonmouth Polymers CGU. See note 15 for the key assumptions. As an impairment loss has been recognised in the current year the recoverable amounts are equal to their carrying values at the year end and therefore any negative changes in key assumptions would result in an additional impairment loss.

**Viridor Limited**

**Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)**

**18 Right of use assets**

**Group**

	Note	Land and buildings £ m	Fixed and mobile plant, vehicles and computers £ m	Total £ m
<b>Cost or valuation</b>				
At 1 April 2022		51.1	7.4	58.5
Additions		8.4	3.7	12.1
Disposals		(0.4)	(1.7)	(2.1)
At 31 March 2023		59.1	9.4	68.5
At 1 April 2023		59.1	9.4	68.5
Acquired through business combinations	14	8.0	-	8.0
Additions		4.4	2.9	7.3
Transfers		5.2	-	5.2
Disposals		(3.2)	(3.7)	(6.9)
Exchange movements		(0.5)	-	(0.5)
At 31 March 2024		73.0	8.6	81.6
<b>Depreciation and impairment</b>				
At 1 April 2022		9.8	3.4	13.2
Charge for year		1.6	2.5	4.1
Eliminated on disposal		(0.4)	(1.3)	(1.7)
At 31 March 2023		11.0	4.6	15.6
At 1 April 2023		11.0	4.6	15.6
Charge for the year		5.3	2.6	7.9
Eliminated on disposal		(3.2)	(3.7)	(6.9)
Impairment charge		0.7	-	0.7
Exchange movements		(1.5)	-	(1.5)
At 31 March 2024		12.3	3.5	15.8
<b>Carrying amount</b>				
At 31 March 2024		<b>60.7</b>	<b>5.1</b>	<b>65.8</b>
At 31 March 2023		<b>48.1</b>	<b>4.8</b>	<b>52.9</b>

The corresponding lease liabilities are disclosed in note 28.

Short-term and low value lease rentals payable are disclosed in note 7.

**Viridor Limited**

**Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)**

**19 Financial instruments by category**

**Group**

		<u>Fair value</u>	<u>Amortised cost</u>		<u>Fair value</u>	
		<u>Derivatives</u>		<u>Trade</u>	<u>through</u>	
		<u>used for</u>	<u>Debt</u>	<u>receivables</u>	<u>income</u>	
		<u>cash flow</u>	<u>instruments</u>	<u>and trade</u>	<u>statement</u>	
		<u>hedging</u>	<u>£ m</u>	<u>payables</u>	<u>Derivatives</u>	<u>Total</u>
	<u>Note</u>	<u>£ m</u>	<u>£ m</u>	<u>£ m</u>	<u>£ m</u>	<u>£ m</u>
<b>31 March 2024</b>						
<b>Financial assets</b>						
Trade receivables	24, 20	-	142.6	95.0	-	237.6
Derivative financial instruments	25	76.0	-	-	0.8	76.8
Cash and cash deposits	26	-	145.5	-	-	145.5
		<u>76.0</u>	<u>288.1</u>	<u>95.0</u>	<u>0.8</u>	<u>459.9</u>
<b>Financial liabilities</b>						
Borrowings	28	-	(2,478.9)	-	-	(2,478.9)
Trade and other payables	27	-	-	(42.8)	-	(42.8)
Derivative financial instruments	25	(239.1)	-	-	(2.4)	(241.5)
		<u>(239.1)</u>	<u>(2,478.9)</u>	<u>(42.8)</u>	<u>(2.4)</u>	<u>(2,763.2)</u>

**Viridor Limited**

**Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)**

**19 Financial instruments by category (continued)**

		Fair value	Amortised cost		Fair value through income statement	
	Note	Derivatives used for cash flow hedging £ m	Debt instruments £ m	Trade receivables and trade payables £ m	Derivatives £ m	Total £ m
<b>31 March 2023</b>						
<b>Financial assets</b>						
Trade receivables	24	-	96.7	60.9	-	157.6
Other receivables	20, 24	-	237.0	-	-	237.0
Derivative financial instruments	25	84.0	-	-	-	84.0
Cash and cash deposits	26	-	157.5	-	-	157.5
		<b>84.0</b>	<b>491.2</b>	<b>60.9</b>	<b>-</b>	<b>636.1</b>
<b>Financial liabilities</b>						
Borrowings	28	-	(2,518.0)	-	-	(2,518.0)
Trade and other payables	27	-	-	(117.7)	-	(117.7)
Derivative financial instruments	25	(254.2)	-	-	(99.0)	(353.2)
		<b>(254.2)</b>	<b>(2,518.0)</b>	<b>(117.7)</b>	<b>(99.0)</b>	<b>(2,988.9)</b>

**Viridor Limited**

**Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)**

**19 Financial instruments by category (continued)**

**Company**

	Note	Amortised cost Trade receivables and trade payables £ m	Total £ m
<b>31 March 2024</b>			
<b>Financial assets</b>			
Trade receivables	24	<u>11.1</u>	<u>11.1</u>
		<u>11.1</u>	<u>11.1</u>
<b>Financial liabilities</b>			
Trade and other payables	27	<u>(118.2)</u>	<u>(118.2)</u>
		<u>(118.2)</u>	<u>(118.2)</u>
<b>31 March 2023</b>			
<b>Financial assets</b>			
Trade receivables	24	<u>7.3</u>	<u>7.3</u>
		<u>7.3</u>	<u>7.3</u>
<b>Financial liabilities</b>			
Trade and other payables	27	<u>(101.5)</u>	<u>(101.5)</u>
		<u>(101.5)</u>	<u>(101.5)</u>

## Viridor Limited

### Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

#### 20 Other non-current assets

	Note	Group	
		31 March 2024	31 March 2023
		£ m	£ m
Amounts due from related parties	35	129.9	81.7
Service concession arrangements		198.9	201.5
Other prepayments and accrued income		9.7	8.3
		<u>338.5</u>	<u>291.5</u>

Non-current receivables were due:

	Group	
	31 March 2024	31 March 2023
	£ m	£ m
Between 1 and 2 years	44.9	44.6
Between 2 and 5 years	117.5	123.8
Over 5 years	176.1	123.1
	<u>338.5</u>	<u>291.5</u>

The fair values of the financial assets classified within other non-current assets above are:

	Group	
	31 March 2024	31 March 2023
	£ m	£ m
Amounts owed by related parties	133.3	82.6
	<u>133.3</u>	<u>82.6</u>

The fair values are calculated on contractual cash flows discounted at prevailing interest rates plus an allowance to reflect an appropriate credit margin. The weighted average interest rate on amounts owed by related parties was 8.3% (2023: 12%).

#### Service concession arrangements

The Group has several service concession arrangements with local authority clients in the waste management sector to build and operate recycling assets and energy recovery facilities. During the year, all the Group's service concession arrangements were in the operational phase. The arrangements are typically for 25 years and are for the provision of waste management services including the build and operation of recycling and energy recovery facilities. The assets revert to the local authority at the end of the contract. At 31 March 2024 the weighted average remaining duration of the service concession arrangements was 20 years. Under the arrangements, the Group maintains the recycling and energy recovery facilities (ERF) on an ongoing basis throughout the life of the agreement to ensure operational performance. The terms of the principal service concession arrangement contracts, including pricing and performance obligations are established at the outset. The service concession arrangements are subject to annual indexation to take account of inflation. These contracts will, as is common, contain event of default termination clauses for non-performance, but we do not consider it reasonably foreseeable that these clauses will be put into effect.

**Viridor Limited**

**Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)**

**21 Investments in subsidiaries**

<b>Subsidiaries</b>	<b>£ m</b>
<b>Company</b>	
<b>Cost</b>	
At 1 April 2022	<u>2,083.9</u>
At 31 March 2023	<u>2,083.9</u>
At 1 April 2023	<u>2,083.9</u>
At 31 March 2024	<u>2,083.9</u>
<b>Carrying amount</b>	
At 31 March 2024	<u><u>2,083.9</u></u>
At 31 March 2023	<u><u>2,083.9</u></u>
<b>Subsidiary details</b>	

## Viridor Limited

### Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

#### 21 Investments in subsidiaries (continued)

Details of the subsidiaries as at 31 March 2024 are as follows:

Name of subsidiary	Principal activity	Address and country	Proportion of ownership interest and voting rights	
			2024	2023
Viridor Waste Limited *	Holding Company	Ardley ERF Middleton Stoney Road, Ardley, Bicester, England, OX27 7AA England	100.0%	100.0%
Raikes Lane Limited	Dormant	Ardley ERF Middleton Stoney Road, Ardley, Bicester, England, OX27 7AA England	100.0%	100.0%
Viridor Waste (Greater Manchester) Limited	Dormant	Ardley ERF Middleton Stoney Road, Ardley, Bicester, England, OX27 7AA England	100.0%	100.0%
Viridor Resource Management Limited	Marketing and export of recycled materials	Ashford House Grenadier Road, Exeter Business Park, Exeter, England, EX1 3LH England	100.0%	100.0%
Viridor Energy (Developments) Limited	Holding company	Ardley ERF Middleton Stoney Road, Ardley, Bicester, England, OX27 7AA England	100.0%	100.0%
Viridor (Martock) Limited	Dormant	Ardley ERF Middleton Stoney Road, Ardley, Bicester, England, OX27 7AA England	100.0%	100.0%
Viridor Polymer Holding Limited	Holding company	Ashford House Grenadier Road, Exeter Business Park, Exeter, England, EX1 3LH England	100.0%	100.0%
Viridor Energy Holding Limited	Holding company	Ardley ERF Middleton Stoney Road, Ardley, Bicester, England, OX27 7AA England	100.0%	100.0%
Viridor Energy Holding (One) Limited	Holding company	Ardley ERF Middleton Stoney Road, Ardley, Bicester, England, OX27 7AA England	100.0%	100.0%
Viridor Waste (HP) Holding Limited	Waste management services	Ardley ERF Middleton Stoney Road, Ardley, Bicester, England, OX27 7AA England	100.0%	100.0%
Viridor Tees Valley Limited	Dormant	Ardley ERF Middleton Stoney Road, Ardley, Bicester, England, OX27 7AA England	100.0%	100.0%
Viridor Energy (Developments Two) Limited	Holding company	Ardley ERF Middleton Stoney Road, Ardley, Bicester, England, OX27 7AA England	100.0%	100.0%

## Viridor Limited

### Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

#### 21 Investments in subsidiaries (continued)

Name of subsidiary	Principal activity	Address and country	Proportion of ownership interest and voting rights	
			2024	2023
Viridor Energy (Developments One) Limited	Holding company	Ardley ERF Middleton Stoney Road, Ardley, Bicester, England, OX27 7AA England	100.0%	100.0%
Viridor Polymer Recycling Limited	Recycling of waste plastic materials	Ashford House Grenadier Road, Exeter Business Park, Exeter, England, EX1 3LH England	100.0%	100.0%
Harald Norway Bidco AS*	Holding company	C/o Intertrust (Norway) AS Wergelandsveien 7 0167 OSLO Norway	100.0%	100.0%
Viridor Avonmouth Polymers Recycling Limited	Dormant	Ashford House Grenadier Road, Exeter Business Park, Exeter, England, EX1 3LH England	100.0%	100.0%
Thameside Energy Recovery Facility Limited**	Energy from waste	Ardley ERF Middleton Stoney Road, Ardley, Bicester, England, OX27 7AA England	20.0%	20.0%
Viridor QF Holding Limited	Dormant	Viridor House, Priory Bridge Road, Taunton, England, TA1 1AP England	100.0%	-%
Viridor CCS Developments Limited	Dormant	Ardley ERF Middleton Stoney Road, Ardley, Bicester, England, OX27 7AA England	100.0%	-%
Viridor QF Developments One Limited	Dormant	Viridor House, Priory Bridge Road, Taunton, England, TA1 1AP England	100.0%	-%
Viridor Runcorn CCS Limited	Dormant	Ardley ERF Middleton Stoney Road, Ardley, Bicester, England, OX27 7AA England	100.0%	-%
Quantafuel AS	Holding company	Lilleakerveien 2C, 0283 OSLO Norway	45.6%	-%
Quantafuel Denmark ApS	Holding company	Greenlab 19, Kåstrup, 7860 Spøttrup Denmark	45.6%	-%
Quantafuel Skive ApS	Recycling of waste plastic materials	Greenlab 19, Kåstrup, 7860 Spøttrup Denmark	45.6%	-%
Quantafuel Cheshire Limited	Recycling of waste plastic materials	Ashford House Grenadier Road, Exeter Business Park, Exeter, England, EX1 3LH England	45.6%	-%

## Viridor Limited

### Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

#### 21 Investments in subsidiaries (continued)

Name of subsidiary	Principal activity	Address and country	Proportion of ownership interest and voting rights	
			2024	2023
Quantafuel UK Limited	Recycling of waste plastic materials	Ashford House Grenadier Road, Exeter Business Park, Exeter, England, EX1 3LH England	45.6%	-%
Quantafuel Sunderland Limited	Recycling of waste plastic materials	Ashford House Grenadier Road, Exeter Business Park, Exeter, England, EX1 3LH England	45.6%	-%
Quantafuel AB	Dormant	c/o Accountor Ekonomi & Rådgivning AB, Kungsgatan 42, 411 15 GÖTEBORG Sweden	45.6%	-%
Quantafuel Kristiansund AS	Recycling of waste plastic materials	Husøyvegen 110, 6520 FREI Norway	45.6%	-%
Quantafuel Oslo AS	Dormant	Lilleakerveien 2C, 0283 OSLO Norway	45.6%	-%
Quantafuel Aalborg ApS	Recycling of waste plastic materials	Greenlab 19, Kåstrup, 7860 Spøttrup Denmark	45.6%	-%
Quantafuel Rosyth Limited	Recycling of waste plastic materials	9 C/O Shepherd And Wedderburn LLP, 9 Haymarket Square, Edinburgh, EH3 8FY Scotland	45.6%	-%
Quantafuel Sweden AB	Recycling of waste plastic materials	Krusegatan 32, 212 25 MALMÖ Sweden	45.6%	-%
Viridor Enviroscoot Limited	Dormant	C/O Shepherd & Wedderburn LLP, 9 Haymarket Square, Edinburgh, EH3 8FY Scotland	60.0%	70.0%
Viridor Energy (Investments) Limited	Holding company	Ardley ERF Middleton Stoney Road, Ardley, Bicester, England, OX27 7AA England	60.0%	70.0%
Viridor Energy (Investments One) Limited	Holding company	Ardley ERF Middleton Stoney Road, Ardley, Bicester, England, OX27 7AA England	60.0%	70.0%
Viridor Energy (Investments Two ) Limited	Financing company	Ardley ERF Middleton Stoney Road, Ardley, Bicester, England, OX27 7AA England	60.0%	70.0%
Viridor Energy Group Limited	Financing company	2nd Floor Sir Walter Raleigh House, 48-50 Esplanade, St Helier, JE2 Jersey	60.0%	70.0%

## Viridor Limited

### Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

#### 21 Investments in subsidiaries (continued)

Name of subsidiary	Principal activity	Address and country	Proportion of ownership interest and voting rights	
			2024	2023
Viridor Waste (Atherton) Holdings Limited***	Dormant	Ardley ERF Middleton Stoney Road, Ardley, Bicester, England, OX27 7AA England	60.0%	70.0%
Viridor Waste (Atherton) Limited***	Dormant	Ardley ERF Middleton Stoney Road, Ardley, Bicester, England, OX27 7AA England	60.0%	70.0%
Viridor Energy Limited	Waste management activities	Ardley ERF Middleton Stoney Road, Ardley, Bicester, England, OX27 7AA England	60.0%	70.0%
Viridor Avonmouth Waste Services Limited	Energy from waste	Ardley ERF Middleton Stoney Road, Ardley, Bicester, England, OX27 7AA England	60.0%	70.0%
Viridor Exeter Waste Services Limited	Energy from waste	Ardley ERF Middleton Stoney Road, Ardley, Bicester, England, OX27 7AA England	60.0%	70.0%
Viridor Dunbar Waste Services Limited	Energy from waste	C/O Shepherd & Wedderburn Llp, 9 Haymarket Square, Edinburgh, EH3 8FY Scotland	60.0%	70.0%
Viridor Oxfordshire Limited	Energy from waste	Ardley ERF Middleton Stoney Road, Ardley, Bicester, England, OX27 7AA England	60.0%	70.0%
Viridor Trident Park Limited	Energy from waste	Ardley ERF Middleton Stoney Road, Ardley, Bicester, England, OX27 7AA England	60.0%	70.0%
Viridor EfW (Runcorn) Limited	Energy from waste	Ardley ERF Middleton Stoney Road, Ardley, Bicester, England, OX27 7AA England	60.0%	70.0%
Viridor Peterborough Limited	Operation of energy from waste facility under contract	Ardley ERF Middleton Stoney Road, Ardley, Bicester, England, OX27 7AA England	60.0%	70.0%
Viridor (Glasgow) Limited	Energy from waste	C/O Shepherd & Wedderburn Llp, 9 Haymarket Square, Edinburgh, EH3 8FY Scotland	60.0%	70.0%
Viridor South London Limited	Energy from waste	Ardley ERF Middleton Stoney Road, Ardley, Bicester, England, OX27 7AA England	60.0%	70.0%

## Viridor Limited

### Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

#### 21 Investments in subsidiaries (continued)

Name of subsidiary	Principal activity	Address and country	Proportion of ownership interest and voting rights	
			2024	2023
Viridor Clyde Valley Limited	Energy from waste	C/O Shepherd & Wedderburn LLP, 9 Haymarket Square, Edinburgh, EH3 8FY Scotland	60.0%	70.0%

\* indicates direct investment of the company.

\*\* The voting rights are the same as the proportion of ownership in all companies except Thameside Energy Recovery Facility Limited where they are 100%.

\*\*\* disposed on 01 May 2024.

All shares in issue are ordinary shares.

The subsidiaries that were not owned in the previous year are newly incorporated companies or were acquired as part of the Quantafuel AS group.

During the year the Group sold a 10% stake in its subsidiary Viridor Energy (Investments) Limited - a Holding company for the Group's established Energy Recovery Facility (ERF) operations. The total non-controlling interest in Viridor Energy (Investments) Limited is 40% (2023: 30%).

The introduction of minority partners are not expected to impact upon the Group's operations or strategic direction.

## Viridor Limited

### Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

#### 22 Investments in joint ventures

Joint ventures	Note	£ m
<b>Group</b>		
<b>Cost</b>		
At 1 April 2022		69.2
Additions		9.1
Share of total comprehensive income		12.3
Dividends received		<u>(17.0)</u>
At 31 March 2023		<u>73.6</u>
At 1 April 2023		73.6
Acquired through business combinations	14	13.0
Share of total comprehensive income		40.4
Dividends received		(17.0)
Exchange movements		<u>(0.2)</u>
At 31 March 2024		<u>109.8</u>
<b>Carrying amount</b>		
<b>At 31 March 2024</b>		<u><u>109.8</u></u>
<b>At 31 March 2023</b>		<u><u>73.6</u></u>

Included in the Group's carrying amount of investments in joint ventures is a fair value adjustment of £6.1m, see Note 14 (2023: £nil).

The information above reflects the amounts presented in the financial statements of the joint ventures, adjusted for differences in accounting policies between the Group and the joint ventures. The information reflects 100% of the joint ventures results and net assets/liabilities.

## Viridor Limited

### Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

#### 22 Investments in joint ventures (continued)

Details of the group joint ventures as at 31 March 2024 are as follows:

Name of Joint-ventures	Principal activity	Country	Proportion of ownership interest and voting rights held	
			2024	2023
Lakeside Energy from Waste Holdings Limited	Energy from waste	England	50%	50%
INEOS Runcorn (TPS) Holdings Limited	Energy from waste	England	40%	40%
Ford Energy from Waste Limited	Waste management	England	0%	50%
Equitix Westfield Midco Limited	Energy from waste	Guernsey	50%	50%
Resource Denmark ApS	Sorting facility	Denmark	50%	0%
Polynat AS	Waste management	Norway	50%	0%

- **Lakeside Energy from Waste Holdings Limited**

Share capital in issue:

1,000,000 A Ordinary shares

1,000,000 B Ordinary shares

Viridor Energy Limited owns 100% of the B Ordinary shares which equates to a 50% interest in the joint venture.

The registered office of Lakeside Energy from Waste Holdings Limited is: Thames House, Oxford Road, Benson, Oxfordshire, OX10 6LX.

- **INEOS Runcorn (TPS) Holdings Limited**

Share capital in issue:

1,000 A Ordinary shares

186,750 B1 Ordinary shares

62,250 B2 Ordinary shares

Viridor Energy Limited owns 40% of the A Ordinary shares and 100% of the B1 Ordinary shares. The Group's economic interest is 75.0% as returns from the investment are based on holdings of B1 and B2 ordinary shares.

The registered office of INEOS Runcorn (TPS) Holdings Limited is: Bankes Lane Office, Bankes Lane, Runcorn, Cheshire, United Kingdom, WA7 4EL.

- **Equitix Westfield Midco Limited**

Share capital in issue:

4,585,968 A Ordinary shares

1 B Ordinary shares

1 C Ordinary shares

Viridor Energy (Developments One) Limited owns 50% of the A ordinary shares and 100% of the C ordinary shares which equates to a 50% interest in the joint venture.

The registered office of Equitix Westfield Midco Limited is: PO Box 119, Martello Court, Admiral Park, St Peter Port, Guernsey, GY1 3HB.

- **Resource Denmark ApS**

Share capital in issue:

100,002 shares

Quantafuel Denmark ApS owns 50% of the issued share capital which equates to a 50% interest in the joint venture.

The registered office of Resource Denmark ApS is: Veldbæk Industrivej 18, 6705 Esbjerg Ø.

## **Viridor Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)**

#### **22 Investments in joint ventures (continued)**

- **Polynate AS**

Share capital in issue:

1,000,000 shares

Quantafuel AS owns 50% of the issued share capital which equates to a 50% interest in the joint venture.

The registered office of Polynate AS is: Helganesvegen 41, 4262 Avalsnes, Karmøy, Norway.

The Group's joint ventures are all private companies and there are no quoted market prices available for their shares.

## Viridor Limited

### Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

#### 22 Investments in joint ventures (continued)

##### Summarised information for the Group's significant joint ventures:

The summarised financial information for Polynat AS has not been presented as it is not significant, with both net assets and total comprehensive income of less than £0.1m.

31 March 2024

	<b>Lakeside Energy from Waste Holdings Limited</b>	<b>INEOS Runcorn (TPS) Holdings Limited</b>	<b>Equitix Westfield Midco Limited</b>	<b>Resource Denmark ApS</b>	<b>Total</b>
	<b>£ m</b>	<b>£ m</b>	<b>£ m</b>	<b>£ m</b>	<b>£ m</b>
<b>Summarised balance sheet</b>					
Non-current assets	77.7	161.7	222.4	95.1	556.9
Current assets - Cash	42.3	11.6	27.1	4.9	85.9
Current assets - Other	26.6	14.0	5.6	2.6	48.8
Current liabilities - Financial liabilities	-	-	(163.1)	-	(163.1)
Current liabilities - Other	(13.3)	(13.7)	(18.3)	(3.2)	(48.5)
Non-current liabilities - Financial liabilities	(49.6)	(19.0)	(65.0)	(82.6)	(216.2)
Non-current liabilities - Other	(26.7)	(67.3)	(13.5)	-	(107.5)
Net assets	<u>57.0</u>	<u>87.3</u>	<u>(4.8)</u>	<u>16.8</u>	<u>156.3</u>
Group's economic interest in JV	50.0	75.0	50.0	50.0	-
Group's share in equity	28.5	65.5	(2.4)	8.4	100.0
Goodwill	-	-	7.9	1.9	9.8
<b>Group's carrying amount of investment</b>	<u>28.5</u>	<u>65.5</u>	<u>5.5</u>	<u>10.3</u>	<u>109.8</u>

**Viridor Limited**

**Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)**

**22 Investments in joint ventures (continued)**

**31 March 2023**

	<b>Lakeside Energy from Waste Holdings Limited £ m</b>	<b>INEOS Runcorn (TPS) Holdings Limited £ m</b>	<b>Equitix Westfield Midco Limited £ m</b>	<b>Total £</b>
<b>Summarised balance sheet</b>				
Non-current assets	83.6	167.6	123.3	374.5
Current assets - Cash	18.0	12.6	6.1	36.7
Current assets - Other	12.1	11.2	17.2	40.5
Current liabilities - Other	(2.3)	(8.8)	(9.4)	(20.5)
Non-current liabilities - Financial liabilities	(58.3)	(35.9)	-	(94.2)
Non-current liabilities - Other	(27.0)	(72.6)	(13.1)	(112.7)
Current liabilities - Financial liabilities	-	-	(130.2)	(130.2)
Net assets	<u>26.1</u>	<u>74.1</u>	<u>(6.1)</u>	<u>94.1</u>
Group's economic interest in JV	50.0	75.0	50.0	-
Group's share in equity	13.1	55.6	(3.0)	65.7
Goodwill	-	-	7.9	7.9
<b>Group's carrying amount of investment</b>	<u>13.1</u>	<u>55.6</u>	<u>4.9</u>	<u>73.6</u>

**Viridor Limited**

**Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)**

**22 Investments in joint ventures (continued)**

**31 March 2024**

	<b>Lakeside Energy from Waste Holdings Limited £ m</b>	<b>INEOS Runcorn (TPS) Holdings Limited £ m</b>	<b>Equitix Westfield Midco Limited £ m</b>	<b>Resource Denmark ApS £ m</b>
<b>Summarised statement of comprehensive income/(loss)</b>				
Revenue	127.0	52.7	-	8.0
EBITDA	92.9	30.1	-	(1.4)
Depreciation and amortisation	(8.3)	(10.5)	-	-
Other net interest charge	(4.0)	(1.2)	(0.1)	(3.4)
Pre tax profit/(loss)	80.6	18.4	(0.1)	(4.8)
Income tax expense	(15.9)	(5.3)	-	-
Other comprehensive income	-	-	1.3	-
<b>Total comprehensive income/(loss)</b>	<b>64.7</b>	<b>13.1</b>	<b>1.2</b>	<b>(4.8)</b>
Dividends paid by joint venture	(34.0)	-	-	-

**31 March 2023**

	<b>Lakeside Energy from Waste Holdings Limited £ m</b>	<b>INEOS Runcorn (TPS) Holdings Limited £ m</b>	<b>Equitix Westfield Midco Limited £ m</b>
<b>Summarised statement of comprehensive income/(loss)</b>			
Revenue	79.7	47.6	-
EBITDA	63.4	26.7	(4.6)
Depreciation and amortisation	(8.5)	(10.5)	-
Other net interest charge	(1.4)	(4.2)	0.3
Pre tax profit/(loss)	53.5	12.0	(4.3)
Income tax expense	(10.6)	(18.6)	0.2
Other comprehensive income	-	-	(3.9)
<b>Total comprehensive income/(loss)</b>	<b>42.9</b>	<b>(6.6)</b>	<b>(8.0)</b>
Dividends paid by joint venture	(12.0)	-	-

## Viridor Limited

### Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

#### 23 Inventories

	Group	
	31 March 2024 £ m	31 March 2023 £ m
Raw materials and consumables	<u>59.1</u>	<u>48.6</u>

#### 24 Trade and other receivables

	Note	Group		Company	
		31 March 2024 £ m	31 March 2023 £ m	31 March 2024 £ m	31 March 2023 £ m
<b>Current</b>					
Trade receivables		60.1	49.2	0.2	1.3
Allowance for expected credit losses		<u>(0.3)</u>	<u>(0.1)</u>	-	-
Net trade receivables		59.8	49.1	0.2	1.3
Receivables from related parties	35	35.2	11.8	10.9	6.0
Loans receivable from related parties	35	12.7	15.0	-	-
Accrued income		35.9	46.4	-	-
Service concession arrangements		36.9	35.5	-	-
Other receivables and prepayments		<u>13.1</u>	<u>14.8</u>	-	-
		<u><b>193.6</b></u>	<u><b>172.6</b></u>	<u><b>11.1</b></u>	<u><b>7.3</b></u>

No material credit loss provision has been recognised in relation to amounts owed by the parent undertaking, the joint ventures or other receivables balances.

The Directors consider that the carrying amounts of trade and other receivables approximate to their fair value.

#### Age of trade receivables that are past due but not impaired

	Group	
	31 March 2024 £ m	31 March 2023 £ m
Not past due	56.9	45.2
Past due 1 to 30 days	2.6	3.0
Past due 31 to 120 days	0.3	0.1
Past due more than 120 days	-	0.8
	<u><b>59.8</b></u>	<u><b>49.1</b></u>

There is no significant concentration of credit risk in trade receivables. The Group has a large number of customers who are dispersed and there is no expectation of a significant loss on trade receivables which have not been provided for.

**Viridor Limited**

**Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)**

**25 Derivative financial instruments**

	<b>Group</b>	
	<b>31 March 2024 £ m</b>	<b>31 March 2023 £ m</b>
<b>Non-current financial assets</b>		
Derivatives used for cash flow hedging	<u>53.7</u>	<u>62.0</u>
	<b>Group</b>	
	<b>31 March 2024 £ m</b>	<b>31 March 2023 £ m</b>
<b>Current financial assets</b>		
Derivatives used for cash flow hedging	22.1	22.0
Derivatives not used in a hedging relationship	<u>0.8</u>	<u>-</u>
	<u>22.9</u>	<u>22.0</u>
	<b>Group</b>	
	<b>31 March 2024 £ m</b>	<b>31 March 2023 £ m</b>
<b>Non-current financial liabilities</b>		
Derivatives used for cash flow hedging	(222.1)	(238.8)
Derivatives not used in a hedge accounting relationship	<u>-</u>	<u>(47.1)</u>
	<u>(222.1)</u>	<u>(285.9)</u>
	<b>Group</b>	
	<b>31 March 2024 £ m</b>	<b>31 March 2023 £ m</b>
<b>Current financial liabilities</b>		
Derivative used for cash flow hedging	(16.9)	(15.4)
Derivatives not used in a hedge accounting relationship	<u>(2.4)</u>	<u>(51.9)</u>
	<u>(19.3)</u>	<u>(67.3)</u>

The periods for which the cash flow hedges are expected to affect future profits and losses are as follows:

	<b>Group</b>	
<b>Assets</b>	<b>31 March 2024 £ m</b>	<b>31 March 2023 £ m</b>
<b>Derivatives used for cash flow hedging</b>		
Within one year	22.1	22.0
One to two years	14.1	16.8
Two to five years	25.2	28.3
After five years	<u>14.4</u>	<u>16.9</u>
	<u>75.8</u>	<u>84.0</u>

## Viridor Limited

### Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

#### 25 Derivative financial instruments (continued)

Liabilities	Group	
	31 March 2024 £ m	31 March 2023 £ m
<b>Derivatives used for cash flow hedging</b>		
Within one year	(16.9)	(15.4)
One to two years	(18.4)	(17.4)
Two to five years	(54.1)	(52.9)
After five years	(149.6)	(168.5)
	<u>(239.0)</u>	<u>(254.2)</u>

The Group's financial risks and risk management policies are set out in note 3. The fair value of derivatives is split between current and non-current assets or liabilities based on the maturity of the cash flows. The ineffective portion recognised in the income statement arising from hedging relationships was £nil (2023: £nil).

During the year a £9.7 million charge (2023: £4.5 million charge) was recognised in profit and loss relating to cash flow hedges previously recognised through other comprehensive income and recorded in the hedging reserve. A £16.9 million credit (2023: £50.5 million credit) was recognised as other comprehensive income for cash flow hedges that may be classified subsequently to profit and loss.

Interest rate swaps and fixed rate borrowings are used to manage the mix of fixed and floating rates to ensure at least 85% of Group net borrowings are at fixed rate. At 31 March 2024, 94% (2023: 94%) of Group net borrowings were at fixed rate. At 31 March 2024, the Group had interest rate swaps to swap from floating to fixed rate and hedge financial liabilities with a notional value of £596 million (2023: £664 million) and a weighted average maturity of 3.6 years (2023: 3.6 years). The weighted average interest rate of the swaps for their nominal amount was 0.93% (2023: 0.93%).

RPI swaps are used to manage the inflation risk embedded in certain long-term contracts. As of 31 March 2024, the Group had RPI swaps to swap from RPI to fixed rate and hedge future cash flows with a notional value of £1,557 million (2023: £1,660 million) and a weighted average maturity of 8.77 years (2023: 8.61 years). The weighted average annual RPI value of the swaps for their nominal amount was 3.10% (2023: 3.11%).

The movement in the year comprises of cash inflow of £25.8m (2023: £8.3m) and fair value gains of £17.8m (2023: £59.7m).

#### Fair value measurement

The group uses a valuation methodology to estimate fair values, as explained in note 3.

The amounts above are at the fair value of financial instruments using level 2 inputs that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). The fair values of these instruments are based on the market value of equivalent instruments at the balance sheet date.

## Viridor Limited

### Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

#### 26 Cash and cash equivalents

	Group	
	31 March 2024 £ m	31 March 2023 £ m
Cash at bank	<u>145.5</u>	<u>157.5</u>

Cash at bank has an average maturity of one working day.

#### 27 Trade and other payables

	Note	Group		Company	
		31 March 2024 £ m	31 March 2023 £ m	31 March 2024 £ m	31 March 2023 £ m
Trade payables		37.7	20.8	3.9	3.3
Contract liabilities		2.6	5.1	0.2	-
Amounts due to related parties	35	5.1	96.9	114.3	98.2
Social security and other taxes		14.9	18.8	4.1	9.1
Accruals and other payables		<u>62.7</u>	<u>75.2</u>	<u>3.4</u>	<u>3.5</u>
		<u>123.0</u>	<u>216.8</u>	<u>125.9</u>	<u>114.1</u>

The Directors consider that the carrying amount of trade and other payables approximates to their fair value.

Contract liabilities are recognised when consideration is received in advance of the Group performing its obligations to customers. The movement in the contract liabilities was:

	Group	
	31 March 2024 £ m	31 March 2023 £ m
At 1 April	5.1	0.2
Revenue recognised in the year	(5.1)	(0.2)
Consideration received in advance of completion of performance obligations	<u>2.6</u>	<u>5.1</u>
At 31 March	<u>2.6</u>	<u>5.1</u>

All current contract liabilities are expected to be satisfied and revenue recognised within the financial year ending 31 March 2025.

**Viridor Limited**

**Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)**

**28 Loans and borrowings**

		<b>Group</b>	
	<b>Note</b>	<b>31 March 2024 £ m</b>	<b>31 March 2023 £ m</b>
<b>Current loans and borrowings</b>			
External borrowings		83.5	66.0
Lease liabilities		5.1	3.7
Amounts due to related parties	35	7.2	-
		<u>95.8</u>	<u>69.7</u>
<b>Non-current loans and borrowings</b>			
External borrowings		2,319.2	2,387.4
Lease liabilities		63.9	57.2
Amounts due to related parties	35	-	3.7
		<u>2,383.1</u>	<u>2,448.3</u>
<b>Total borrowings</b>		<b>2,478.9</b>	<b>2,518.0</b>
Cash and cash deposits	26	(145.5)	(157.5)
<b>Net borrowings</b>		<b><u>2,333.4</u></b>	<b><u>2,360.5</u></b>

The fair value of current borrowings equals their carrying amount, as the impact of discounting is not significant.

The terms and conditions associated with the external borrowings are disclosed in note 3.

The maturity of non-current borrowings was:

	<b>Group 2024</b>		
	<b>Leases £ m</b>	<b>Other £ m</b>	<b>Total £ m</b>
Between 1 and 2 years	4.1	67.9	72.0
Between 2 and 5 years	9.4	445.4	454.8
Over 5 years	50.4	1,805.9	1,856.3
	<u>63.9</u>	<u>2,319.2</u>	<u>2,383.1</u>

	<b>Group 2023</b>		
	<b>Leases £ m</b>	<b>Other £ m</b>	<b>Total £ m</b>
Between 1 and 2 years	4.4	68.3	72.7
Between 2 and 5 years	7.6	432.9	440.5
Over 5 years	45.2	1,889.9	1,935.1
	<u>57.2</u>	<u>2,391.1</u>	<u>2,448.3</u>

**Viridor Limited**

**Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)**

**28 Loans and borrowings (continued)**

The weighted average maturity of non-current borrowings was 16 years (2023: 17 years).

The fair values of non-current borrowings were:

Group	Note	31 March 2024		31 March 2023	
		Book Value £ m	Fair Value £ m	Book Value £ m	Fair Value £ m
External borrowings		2,319.2	2,169.4	2,387.4	2,184.0
Lease liabilities		63.9	63.9	57.2	57.2
Amounts due to related parties	35	-	-	3.7	3.7
		<u>2,383.1</u>	<u>2,233.3</u>	<u>2,448.3</u>	<u>2,244.9</u>

The fair values of non-current borrowings are calculated by discounting expected future cash flows at prevailing interest rates.

The changes in borrowings from financing activities were:

Group	1 April 2023 £ m	Acquisition (Note 14) £ m	Cash flows £ m	Accrued interest £ m	Other £ m	31 March 2024 £ m
Current lease liabilities	3.7	0.9	(7.0)	0.4	7.1	5.1
Non-current lease liabilities	57.2	7.1	-	2.7	(3.1)	63.9
Current external borrowings	66.0	-	(55.6)	-	73.1	83.5
Non-current external borrowings	2,387.4	-	-	-	(68.2)	2,319.2
Current intercompany loans	-	5.2	41.5	2.7	(42.2)	7.2
Non-current intercompany loans	3.7	-	-	-	(3.7)	-
	<u>2,518.0</u>	<u>13.2</u>	<u>(21.1)</u>	<u>5.8</u>	<u>(37.0)</u>	<u>2,478.9</u>

Group	1 April 2022 £ m	Acquisition (Note 14) £ m	Cash flows £ m	Accrued interest £ m	Other £ m	31 March 2023 £ m
Current lease liabilities	3.5	-	(4.1)	0.1	4.2	3.7
Non-current lease liabilities	50.7	-	-	2.3	4.2	57.2
Current external borrowings	47.7	-	(53.5)	0.2	71.6	66.0
Non-current external borrowings	2,380.6	-	75.0	-	(68.2)	2,387.4
Current intercompany loans	6.0	-	(2.3)	-	(3.7)	-
Non-current intercompany loans	-	-	-	-	3.7	3.7
	<u>2,488.5</u>	<u>-</u>	<u>15.1</u>	<u>2.6</u>	<u>11.8</u>	<u>2,518.0</u>

The 'Other' column includes the disposal of liabilities relating to discontinued activities (see note 5), the netting of balances payable against balances receivable, the effect of reclassification of non-current portion of borrowings, lease additions and modifications, debt issue cost movements within external borrowings and the 2024 current intercompany loans reflects a debt for equity transaction with the immediate parent.

The group's exposure to market and liquidity risks, including maturity analysis, relating to loans and borrowings is disclosed in note 3 "Financial risk review".

## Viridor Limited

### Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

#### 29 Pension and other schemes

The following amounts refer only to the Group. The Company has no employees.

##### Defined benefit pension schemes

The Group no longer participates in a defined benefit pension scheme. The disclosures below reflect the single scheme in which the Group participated until the settlement date in the prior year

Viridor had not actively participated in the Greater Manchester Pension Fund (GMPPF) since the exit from the Manchester contract in 2019 and an agreement was reached in the year ended 31 March 2023 over the surplus on exit. A settlement loss of £35.8 million appears in the prior year's income statement, equal to the uncapped surplus, with an offsetting amount in other comprehensive income.

Prior to the settlement agreement the assets of the pension schemes were held in separate trustee administered funds. The trustees of the funds were required to act in the best interest of the funds' beneficiaries. The appointment of schemes' trustees was determined by the schemes' trust documentation.

##### Principal actuarial assumptions

The significant actuarial assumptions used to determine the present value of the defined benefit obligation at the settlement date were as follows:

	<b>31 March 2023</b>
Discount rate	5.30
Future salary increases	3.20
Future pension increases	3.20
Inflation	<u>3.80</u>

##### Post retirement mortality assumptions

Assumptions regarding future mortality experience were set based on actuarial advice in accordance with published statistics and experience. The mortality assumption used a scheme-specific calculation based on CMI 2018 actuarial tables with an allowance for future longevity improvement.

	<b>31 March 2023</b>
Future UK pensioners at retirement age - male	<u>21.50</u>

## Viridor Limited

### Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

#### 29 Pension and other schemes (continued)

##### *Scheme assets*

Changes in the fair value of scheme assets were as follows:

	<b>31 March 2023 £ m</b>
Fair value at start of year	88.6
Interest income	1.2
Return on plan assets, excluding amounts included in interest income/(expense)	(12.8)
Service cost effect of settlement	(77.0)
	<hr/>
Fair value at end of year	-

##### *Scheme liabilities*

Changes in the present value of scheme liabilities were as follows:

	<b>31 March 2023 £ m</b>
Present value at start of year	88.6
Service cost effect of settlement	(41.2)
Actuarial gains and losses arising from changes in financial assumptions	(24.8)
Interest cost	0.9
Changes in the effect of limiting a net defined benefit asset to the asset ceiling	(23.5)
	<hr/>
Present value at end of year	-

The pension scheme had not invested in any of the company's own financial instruments or in properties or other assets used by the company.

##### *Effect of asset ceiling*

At settlement, the Group's pension scheme was in surplus. However, this surplus is deemed irrecoverable in accordance with IFRIC 14 'The Limit on Defined Benefit Asset Minimum Funding Requirements and their Interaction'.

A reconciliation of the effect of the asset ceiling was as follows:

	<b>31 March 2023 £ m</b>
Opening balance	23.5
Interest cost	0.3
Disposal of scheme in surplus	(35.8)
Actuarial gains	12.0
	<hr/>
Closing balance	-

## Viridor Limited

### Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

#### 30 Other provisions

##### Group

	£ m
At 1 April 2023	10.9
Additional provisions	1.1
Provisions used	(4.3)
Unused provision reversed	(0.8)
At 31 March 2024	<u>6.9</u>
Non-current liabilities	<u>1.6</u>
Current liabilities	<u>5.3</u>

##### Other provisions

The movement in other provisions includes the settlement of amounts provided during previous years in respect of the indemnification in relation to and the conduct of proceedings relating to the incidents, occurring in the year ended 31 March 2020, at Bovey Tracey and Earls Barton.

As at 31 March 2024, other provisions includes includes amounts provided by the Group in relation to nuisance claims which are considered to be the best estimate of the amounts that might be finally settled. The expected cash outflow is within the next 12 months and there is no disclosure of the assumptions on the basis that further disclosure could be detrimental to Viridor. Other provisions also include provisions for dilapidations.

#### 31 Share capital

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

	31 March 2024		31 March 2023	
	No. m	£ m	No. m	£ m
Ordinary shares of £1 each	<u>898.2</u>	<u>898.2</u>	<u>898.2</u>	<u>898.2</u>

## Viridor Limited

### Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

#### 32 Share-based payments

##### Management Equity Plan

##### Scheme details and movements

Executive directors and senior management receive B ordinary shares of £0.01 in the capital of Planets Topco Limited. The B shares as a class comprise a non-voting 6.64% interest in the ordinary equity of Planets Topco Limited and they rank pari passu with the ordinary A shares. The shares can be subscribed by means of a management loan.

The vesting period is the time between the service commencement date and the vesting date, which is considered when there is a change of control transaction or the transfer of at least 50% of the Viridor Limited group. The scheme is equity settled with no choice or history of cash settlement.

Subscription monies received are held in a bare trust on behalf of Planets Topco Limited.

The movements in the number of shares granted during the year were as follows:

	<b>31 March 2024</b>	<b>31 March 2023</b>
	<b>Number</b>	<b>Number</b>
At 1 April	60,741.0	64,891.0
Granted during the period	7,178.0	-
Forfeited during the period	(704.0)	(4,150.0)
Repurchased during the period	(16,156.0)	-
At 31 March	<u>51,059.0</u>	<u>60,741.0</u>

The movements in the weighted average exercise price of shares granted during the year were as follows:

	<b>31 March 2024</b>	<b>31 March 2023</b>
	<b>£</b>	<b>£</b>
At 1 April	91.74	91.74
Granted during the period	118.38	-
At 31 March	<u>94.39</u>	<u>91.74</u>

##### Fair value of options granted

The fair value of the shares is estimated at the grant date using a Monte Carlo option pricing/valuation model, taking into account the terms and conditions on which the shares were granted. The weighted average fair value of the shares granted during the year was £335.8 (2023: no new shares granted) and the main inputs are set out below:

	<b>31 March 2024</b>	<b>31 March 2023</b>
Expected volatility (%)	19.80	-
Risk-free interest rate (%)	<u>4.80</u>	<u>-</u>

The charge for the year is £11.8m (2023: £7.1m).

## Viridor Limited

### Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

#### 33 Non-controlling interests

During the year the group sold a 10% (2023: 10%) stake in its subsidiary Viridor Energy (Investments) Limited - a holding company for the Group's established Energy Recovery Facility (ERF) business. The total non-controlling interest in Viridor Energy (Investments) Limited is 40% (2023: 30%).

Viridor Energy (Investments) Limited owns Viridor Energy (Investment One) Limited. Viridor Energy (Investments One) Limited prepares consolidated group accounts, and by virtue of this holding, Viridor Waste Limited sold a non-controlling interest in this sub group. The information relating to the consolidated Viridor Energy (Investments One) Limited group, for the period after the non-controlling interest arose, is reported below.

On 28 April 2023, the Group acquired 81.5% of the issued share capital of Quantafuel ASA (now Quantafuel AS), obtaining control (see Note 14). At the date of acquisition, the non-controlling interest in the entity was 18.5%. Between April and July 2023, the Group acquired a further 1.8% interest in Quantafuel, increasing its ownership from 81.5% to 83.3% through regular trades on the Euronext Norwegian stock exchange. Subsequently, the group's ownership of Quantafuel was diluted from 83.3% to 45.6% as a result of newly-issued ordinary share capital in Quantafuel being subscribed by Viridor Limited's immediate parent company, Planets UK Bidco Limited. Therefore, at 31 March 2024, the Group's non-controlling interest in Quantafuel is 54.4%.

Despite the Group's ownership now being below 50%, by virtue of the terms of a Share Ownership Agreement that exists between the Group and Planets UK Bidco Limited, and by virtue of the shared Directors between Viridor Limited and Planets UK Bidco Limited, Viridor Limited is deemed to have control over Quantafuel.

During the prior year, the Group made an investment of £12m for acquisition of 20% of the total issued share capital of Thameside Energy Recovery Facility Limited. The Group would also purchase the remaining 80% of the total issued share capital of Thameside Energy Recovery Facility Limited at a price of £46m, on meeting certain conditions as specified in the Share Purchase and Shareholders' Agreement ("SPA").

	Viridor Energy (Investments One) Limited Group 31 March 2024 £m	Thameside Energy Recovery Facility Limited 31 March 2024 £m	Viridor Energy (Investments) Limited 31 March 2024 £m	Quantafuel AS 31 March 2024 £m	Total 31 March 2024 £m
NCI percentage	<u>40%</u>	<u>80%</u>	<u>40%</u>	<u>54%</u>	
Non-current assets	1,610.5	60.8	-	87.7	1,759.0
Current assets	327.7	0.6	-	5.4	333.7
Current liabilities	(175.7)	(4.0)	-	(14.3)	(194.0)
Non-current liabilities	<u>(2,708.6)</u>	<u>-</u>	<u>-</u>	<u>(11.5)</u>	<u>(2,720.1)</u>
Net (liabilities)/assets	<u>(946.1)</u>	<u>57.4</u>	<u>-</u>	<u>67.3</u>	<u>(821.4)</u>
Net assets attributable to NCI	<u>(378.4)</u>	<u>45.9</u>	<u>-</u>	<u>36.6</u>	<u>(295.9)</u>
Revenue	<u>526.3</u>	<u>-</u>	<u>-</u>	<u>5.1</u>	<u>531.4</u>
Profit/(loss)	212.3	-	-	(40.4)	171.9
OCI	<u>5.6</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5.6</u>
Total comprehensive income/(expense)	<u>217.9</u>	<u>-</u>	<u>-</u>	<u>(40.4)</u>	<u>177.5</u>

**Viridor Limited****Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)****33 Non-controlling interests (continued)**

Profit/(loss) allocated to NCI	66.3	-	-	(13.7)	52.6
OCI allocated to NCI	1.6	-	-	-	1.6
<b>Total comprehensive income allocated to NCI</b>	<b>67.9</b>	<b>-</b>	<b>-</b>	<b>(13.7)</b>	<b>54.2</b>
Cash flows from operating activities	254.7	-	-	(17.9)	236.8
Cash flows from investing activities	7.7	-	-	(20.3)	(12.6)
Cash flows from financing activities	(241.1)	-	-	40.4	(200.7)
Net increase in cash and cash equivalents	<b>21.3</b>	<b>-</b>	<b>-</b>	<b>2.2</b>	<b>23.5</b>
Dividends to NCI	-	-	<b>31.8</b>	-	<b>31.8</b>

It is not possible to calculate the profit and OCI allocated to NCI by applying the NCI % this is due to the increases in non-controlling interest ownership occurring part way through both years.

## Viridor Limited

### Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

#### 33 Non-controlling interests (continued)

	Viridor Energy (Investments One) Limited Group 31 March 2023 £m	Thameside Energy Recovery Facility Limited 31 March 2023 £m	Viridor Energy (Investments) Limited 31 March 2023 £m	Total 31 March 2023 £m
NCI percentage	30%	80%	30%	
Non-current assets	1,643.1	57.5	-	1,700.6
Current assets	287.7	-	-	287.7
Current liabilities	(206.8)	-	-	(206.8)
Non-current liabilities	(2,782.5)	-	-	(2,782.5)
Net (liabilities)/assets	<b>(1,058.5)</b>	<b>57.5</b>	-	<b>(1,001.0)</b>
Net assets attributable to NCI	<b>(317.5)</b>	<b>46.0</b>	-	<b>(271.5)</b>
Revenue	<b>599.8</b>	-	-	<b>599.8</b>
Profit/(loss)	254.6	-	-	254.6
OCI	34.5	-	-	34.5
Total comprehensive income	<b>289.1</b>	-	-	<b>289.1</b>
Profit/(loss) allocated to NCI	78.1	-	-	78.1
OCI allocated to NCI	4.0	-	-	4.0
<b>Total comprehensive income allocated to NCI</b>	<b>82.1</b>	-	-	<b>82.1</b>
Cash flows from operating activities	208.4	-	-	208.4
Cash flows from investing activities	7.4	-	-	7.4
Cash flows from financing activities	(251.6)	-	-	(251.6)
Net decrease in cash and cash equivalents	<b>(35.8)</b>	-	-	<b>(35.8)</b>
Dividends to NCI	-	-	<b>58.4</b>	<b>58.4</b>

## **Viridor Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)**

#### **34 Contingent liabilities**

##### **Group**

##### **Other contractual and litigation uncertainties**

A possible obligation exists relating to a potential claim for construction related activity at a plant. There is no disclosure of the assumptions for the contingent liability on the basis that further disclosure could be detrimental to the Group.

In connection with the application of the audit exemption provided by Section 479A, under Section 479C of the Companies Act 2006 the Company has guaranteed all the outstanding liabilities as at 31 March 2024 of the following subsidiaries, since these companies qualify for exemption:

- Viridor Waste Limited
- Viridor Energy (Investments) Limited
- Viridor Waste (HP) Holding Limited
- Viridor Waste (Greater Manchester) Limited
- Raikes Lane Limited
- Viridor Energy Holding Limited
- Viridor Energy Holding (One) Limited
- Viridor Energy (Developments) Limited
- Viridor Polymer Holding Limited
- Viridor Resource Management Limited
- Viridor Polymer Recycling Limited
- Viridor Energy (Developments One) Limited
- Viridor Energy (Developments Two) Limited
- Thameside Energy Recovery Facility Limited
- Quantafuel Cheshire Limited
- Quantafuel UK Limited
- Quantafuel Rosyth Limited
- Quantafuel Sunderland Limited

## Viridor Limited

### Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

#### 35 Related party transactions

##### Key management personnel

Key management have been determined to be the Executive Leadership Team (ELT) by virtue of their authority and responsibility for planning, directing and controlling the activities of the Group. This includes statutory directors of the Group (together referred to as "directors").

<b>Key management compensation:</b>	<b>2024</b>	<b>2023</b>
	<b>£ m</b>	<b>£ m</b>
Short-term employee benefits	7.9	5.9
Post-employment benefits	0.2	0.1
	<u>8.1</u>	<u>6.0</u>

The cost of share-based payments represents the amount charged to the income statement.

During the year 13 (2023: 9) key management personnel were members of the Group's defined contribution pension scheme.

In respect of the highest paid director:

	<b>2024</b>	<b>2023</b>
	<b>£ m</b>	<b>£ m</b>
Total amount of emoluments and amounts (excluding shares) receivable under long term incentive schemes	1.5	1.4

## Viridor Limited

### Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

#### 35 Related party transactions (continued)

During the year, the Group companies entered into transactions with related parties who are not members of the Group. The related party categorisation is based upon the the relationship that existed as at 31 March ["Parent" relates to both direct and indirect parent companies].

##### Income and receivables from related parties

Related party sales of goods and services are undertaken at normal commercial terms and conditions that would also be available to unrelated third parties.

The 'Parent' provision of loan finance receivables represents loans due for repayment by 2032. Interest is charged at 2.5% + Sonia.

The provision of joint venture finance receivables represent loans due for repayment through to 2034. Interest is charged at an average rate of 8.3% (2023: 12%).

#### Group

		Total £ m	Parent £ m	Joint ventures £ m
<b>2024</b>	<b>Note</b>			
<i>Income statement transactions:</i>				
Sale of goods and services		25.8	-	25.8
Income from provision of loan finance		11.5	-	11.5
		<u>37.3</u>	<u>-</u>	<u>37.3</u>
<i>Statement of financial position balances:</i>				
<b>Current</b>				
Amounts receivable from parent - trading balance	24	<u>35.2</u>	<u>30.0</u>	<u>5.2</u>
Amount receivable from parent - provision of loan finance	24	<u>12.7</u>	<u>-</u>	<u>12.7</u>
<b>Non-current</b>				
Amount receivable from parent - provision of loan finance	20	<u>129.9</u>	<u>2.4</u>	<u>127.5</u>
<b>2023</b>	<b>Note</b>	<b>Total £ m</b>	<b>Parent £ m</b>	<b>Joint ventures £ m</b>
<i>Income statement transactions:</i>				
Sale of goods and services		31.2	-	31.2
Income from provision of loan finance		42.8	38.8	4.0
		<u>74.0</u>	<u>38.8</u>	<u>35.2</u>
<i>Statement of financial position balances:</i>				
<b>Current</b>				
Amounts receivable from related party - trading balance	24	<u>11.8</u>	<u>-</u>	<u>11.8</u>
Amounts receivable from related party - provision of loan finance	24	<u>15.0</u>	<u>-</u>	<u>15.0</u>
<b>Non-current</b>				
Amount receivable from related party - provision of loan finance	20	<u>81.7</u>	<u>-</u>	<u>81.7</u>

## Viridor Limited

### Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

#### 35 Related party transactions (continued)

##### Expenditure with and payables to related parties

###### Group

Related party expenditure in relation to goods and services are undertaken at normal commercial terms and conditions that would also be available to unrelated third parties.

Charges for management services are provided at cost.

2024	Note	Total £ m	Parent £ m	Subsidiary £ m	Joint ventures £ m
<b>Income statement transactions:</b>					
Purchase of goods		25.5	-	-	25.5
Rendering of services		5.9	-	5.9	-
Dividends paid		112.0	112.0	-	-
		<u>143.4</u>	<u>112.0</u>	<u>5.9</u>	<u>25.5</u>
<b>Statement of financial position balances:</b>					
<b>Current</b>					
Amounts payable to related party - trading balance	27	5.1	-	-	5.1
Amounts payable to related party - provision of loan finance	28	7.2	0.1	7.1	-
		<u>12.3</u>	<u>0.1</u>	<u>7.1</u>	<u>-</u>
		<u>12.3</u>	<u>0.1</u>	<u>7.1</u>	<u>-</u>
2023	Note	Total £ m	Parent £ m	Subsidiary £ m	Joint ventures £ m
<b>Income statement transactions:</b>					
Purchase of goods		22.1	-	-	22.1
Rendering of services		5.7	5.7	-	-
Dividends paid		2,088.8	2,088.8	-	-
		<u>2,116.6</u>	<u>2,094.5</u>	<u>-</u>	<u>22.1</u>
<b>Statement of financial position balances:</b>					
<b>Current</b>					
Amounts payable to related party - trading balance	27	96.9	93.9	-	3.0
		<u>96.9</u>	<u>93.9</u>	<u>-</u>	<u>3.0</u>
<b>Non-current</b>					
Amounts payable to related party - provision of loan finance	28	3.7	3.7	-	-
		<u>3.7</u>	<u>3.7</u>	<u>-</u>	<u>-</u>

**Viridor Limited**

**Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)**

**35 Related party transactions (continued)**

**Income and receivables from related parties - Company**

Related party sales of goods and services are undertaken at normal commercial terms and conditions that would also be available to unrelated third parties.

The 'Parent' provision of loan finance receivables represents loans due for repayment by 2032. Interest is charged at 2.5% + Sonia.

<b>2024</b>	<b>Note</b>	<b>Total £ m</b>	<b>Parent £ m</b>	<b>Subsidiary £ m</b>
<i>Income statement transactions:</i>				
Dividends received		<u>112.0</u>	<u>-</u>	<u>112.0</u>
<i>Statement of financial position balances:</i>				
<b>Current</b>				
Amounts receivable from related party - trading balance	24	<u>10.9</u>	<u>6.0</u>	<u>4.9</u>
<b>2023</b>				
	<b>Note</b>	<b>Total £ m</b>	<b>Parent £ m</b>	<b>Subsidiary £ m</b>
<i>Income statement transactions:</i>				
Dividends received		747.7	-	747.7
Income from provision of loan finance	9	<u>27.8</u>	<u>27.8</u>	<u>-</u>
		<u>775.5</u>	<u>27.8</u>	<u>747.7</u>
<i>Statement of financial position balances:</i>				
<b>Current</b>				
Amounts receivable from related party - trading balance	24	<u>9.2</u>	<u>6.0</u>	<u>3.2</u>

**Viridor Limited**

**Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)**

**35 Related party transactions (continued)**

**Expenditure with and payables to related parties - Company**

Related party expenditure in relation to goods and services are undertaken at normal commercial terms and conditions that would also be available to unrelated third parties.

The provision of loan finance payables relate to the provision of funding from fellow subsidiaries of Planets UK Midco Limited to support capital projects across the Group. Interest is charged at fixed rates between 1.1% and 6.75% and the loans are due for final repayment between 31/03/2036 and 31/03/2045.

2024	Note	Total £ m	Parent £ m	Subsidiary £ m
<i>Income statement transactions:</i>				
Rendering of services		5.9	5.9	-
Dividends paid		<u>112.0</u>	<u>112.0</u>	<u>-</u>
		<u>117.9</u>	<u>117.9</u>	<u>-</u>
<i>Statement of financial position balances:</i>				
<b>Current</b>				
Amounts payable to related party - trading balance	27	<u>114.3</u>	<u>-</u>	<u>114.3</u>
		<u>114.3</u>	<u>-</u>	<u>114.3</u>
2023	Note	Total £ m	Parent £ m	Subsidiary £ m
<i>Income statement transactions:</i>				
Rendering of services		5.7	5.7	-
Dividends paid		<u>2,088.8</u>	<u>2,088.8</u>	<u>-</u>
		<u>2,094.5</u>	<u>2,094.5</u>	<u>-</u>
<i>Statement of financial position balances:</i>				
<b>Current</b>				
Amounts payable to related party - trading balance	27	<u>101.4</u>	<u>-</u>	<u>101.4</u>
		<u>101.4</u>	<u>-</u>	<u>101.4</u>

## **Viridor Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)**

#### **36 Parent and ultimate parent undertaking**

The company's immediate parent is Planets UK Bidco Limited.

The most senior parent entity producing publicly available financial statements is Planets UK Midco Limited. These financial statements are available upon request from Duo, Level 6 280 Bishopsgate, London, United Kingdom, EC2M 4RB.

The ultimate controlling party is KKR Planets Aggregator L.P. by virtue of its shareholding in Planets Topco Limited.

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

There were no significant non-adjusting events after the financial period.