Riverside Energy Park

Funding Statement

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CORY RIVERSIDE ENERGY

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1 Introduction

1.1 Introduction

1.1.1 Cory Environmental Holdings Limited (trading as Cory Riverside Energy) ('CEHL') is applying to the Secretary of State under the Planning Act 2008 ('PA 2008') for powers to construct, operate and maintain an integrated energy park, to be known as Riverside Energy Park ('REP'). The principal elements of REP comprise a complementary energy generating development and an associated Electrical Connection (together referred to as the 'Proposed Development').

1.1.2 This Statement has been produced because the Development Consent Order ('DCO') sought for the Proposed Development would authorise the compulsory acquisition of interests in land.

1.1.3 This Statement has been produced pursuant to regulation 5(2)(h) of 'The Infrastructure Planning (Applications: Prescribed Forms and Procedure) Regulations 2009' and the Department of Communities and Local Government guidance, 'Planning Act 2008: Guidance related to procedures for the compulsory acquisition of land (September 2013)'.

1.1.4 This Statement explains how:

- the Proposed Development is proposed to be funded (**Section 2**); and
- the land acquisition necessary for REP is proposed to be funded (**Section 3**).

1.1.5 This Statement is one of a number of documents accompanying the DCO Application, as set out in the Guide to the Application (Document Reference 1.2). This Statement should therefore be read alongside and is informed by those documents. In particular, this document supplements the Statement of Reasons (Document Reference 4.1).

1.2 The Applicant and the Cory Group Structure

1.2.1 As outlined above, CEHL is applying to the Secretary of State under the PA 2008 for powers to construct, operate, and maintain REP.

1.2.2 CEHL is a subsidiary of Dusty Topco Limited (incorporated in England and Wales with company number 11385842), which is the ultimate parent company of the Cory group of companies (the 'Cory Group').

1.2.3 CEHL has incorporated a 100% wholly owned subsidiary, Riverside Energy Park Limited (company number 11536739) ('REPCO'), which will act as a special purpose vehicle for the purposes of the investment in the Proposed Development. It is for this reason that the draft DCO submitted with the DCO Application has been drafted so that it is for the benefit of both REPCO and CEHL.

1.2.4 The Cory Group corporate structure is illustrated in **Appendix A** of this Statement.

1.2.5 The Cory Group is a leading recycling, energy recovery and resource management group, with an extensive river logistics network in London. Riverside Resource Recovery Limited (‘RRRL’), an entity within the Cory Group, constructed and operates the existing energy recovery facility (referred to as the Riverside Resource Recovery Facility (‘RRRF’)). RRRF is adjacent to the Proposed Development and is a key element of London’s energy and resource management infrastructure.

1.2.6 CEHL is now progressing a DCO Application for REP to maximise the use of the Cory Group’s existing infrastructure and land holding, to meet the growing need for responsible waste treatment, resource recovery and energy generation in the UK and in London, and to respond to the Government's documented need for low carbon, renewable electricity generating capacity.

1.3 Proposed Development

1.3.1 The Proposed Development comprises REP and the associated Electrical Connection. **Chapter 3** of the Environmental Statement (**Document Reference 6.1**) provides further details of the Proposed Development.

1.3.2 A full glossary of defined terms and abbreviations is presented in the Project Glossary (**Document Reference 1.6**).

2 Project Costs

2.1 Overview of Project Cost

2.1.1 The estimated cost of the Proposed Development is £490 million. This cost estimate was prepared with assistance from several external advisors, CEHL and REPCO's preferred technology provider for the Proposed Development.

2.1.2 The estimate covers all aspects of the Proposed Development including construction costs, preparation costs, supervision costs, land acquisition (including compensation payable in respect of any compulsory acquisition), equipment purchase, installation, commissioning, and power export. The estimate also includes an allowance for inflation and project contingencies.

2.1.3 As set out in Sections 2.2 and 2.3 below, the Proposed Development would be funded in a similar way to the RRRF development. For that project, the Cory Group raised £540 million in 2008. The project was completed on time and within budget and now operates at full capacity, such that it cannot accept all the waste that the market would like it to accept.

2.2 Overview of the financial standing of CEHL and REPCO

2.2.1 The Cory Group has a proven track record, delivering an almost identical project, namely RRRF. The Cory Group raised funding for the RRRF in 2008 with the plant being commissioned in 2011. The RRRF is situated on land adjacent to REP and would leverage the Cory Group's existing asset base and extensive operational and market experience in this sector.

2.2.2 REP's development is in response to the need within London and the South East for further residual waste treatment capacity. The development of REP builds upon the success of the RRRF development.

2.2.3 The Cory Group is backed by a strong consortium of long-term infrastructure investors with a long-term focus and a commitment to the development of REP. The consortium comprises Dalmore Capital, Semperian PPP Investment Partners, TfL Pension Fund, Fiera Infrastructure and Swiss Life Asset Managers. These investors acquired the Cory Group in 2018 for over £1.5 billion.

2.2.4 Collectively, the investors hold over £96 billion of assets under management. Details of the individual shareholders of the Cory Group are as follows:

- **Dalmore Capital:** Dalmore Capital is an independent fund manager with offices in London and Edinburgh. It has over £5 billion of assets under management, largely from long term UK pension funds. Dalmore invests primarily in low risk infrastructure opportunities, including PFI/PPP projects, UK offshore transmission assets and regulated assets. Dalmore supports projects that drive London's development, and has over 10 London based PPPs, including the HM Treasury building. Dalmore's landmark London projects also include the M25 widening project and the Thames Tideway Tunnel project. In relation to the Thames Tideway Tunnel project, valued at £4.2 billion, Dalmore successfully raised £0.4 billion of commitments.

- **Semperian PPP Investment Partners:** Semperian is an open-ended UK corporate investment vehicle, whose investors are primarily UK based pension funds in both the public and private sector. Semperian's principal, active investors include the TfL Pension Fund and the London Pension Fund Authority, which has c.£5.6 billion of funds under management and represents the interests of around 35,000 pensioners; many of whom have worked within the Greater London Assembly and the Inner London Education Authority.

- The Semperian Group has £1.7 billion of direct PPP equity investments, including the Belmarsh prison and the UCL Hospital. The Semperian Group also deliver infrastructure asset management and consultancy services across all main public infrastructure sectors using directly employed, specialist expertise.

- **TfL Pension Fund:** One of Semperian's principal, active investors, TfL Pension Fund, is also investing directly into the Cory Group alongside Semperian. TfL Pension Fund has over £10 billion of funds under management.

- **Fiera Infrastructure:** Fiera Infrastructure is an investment firm specialising in infrastructure investments with offices in Toronto and London. It operates as a key component of Fiera Capital Corporation's (TSX: FSZ) alternatives strategy. Fiera Capital Corporation is a leading independent asset management firm with assets under management worth around £77 billion. Fiera Infrastructure currently has approximately £0.6 billion in assets under management through its interest in 24 infrastructure projects through various platforms.

- **Swiss Life Asset Management AG:** Swiss Life Asset Management is the investment advisor to four infrastructure funds with total commitments of over £2.5 billion and has a dedicated infrastructure team of 14 professionals focusing on investments in infrastructure assets across OECD countries and selected non-OECD countries. The funds make long-term direct investments in infrastructure and infrastructure-related assets and pursue the goal of generating attractive risk adjusted returns with sustainable cash yields. To date, the investment team has completed 19 direct infrastructure investments since 2013.

2.2.5 Once the DCO is granted, the final investment decision on the Proposed Development would be made by the Dusty Topco Limited Board, replicating the same process that the Group followed in 2007/08 when it committed to financing RRRF. The Cory Group has already committed significant senior management time and financial resources, deploying a dedicated team to enable the delivery of the Proposed Development on an accelerated timeline.

2.2.6 As will be further explained in Sections 2.3 and 2.4 below, the Proposed Development would be funded in two main stages. CEHL would provide funding to allow REPCO to progress the Proposed Development. This would include the funds required for the preparatory stage of the development and would include the cost of any compulsory acquisition. If the DCO is awarded, following this, REPCO would raise committed project financing to fund the construction of the facility using a combination of the Cory Group's cash reserves, equity funding from the Group's shareholders and third party project finance debt.

2.3 Funding required for Immediate Costs (including land acquisition)

2.3.1 The costs for the initial phase of the Proposed Development are estimated to be £20 million. These costs include advisors' fees to progress the Proposed Development and land acquisition costs (including compensation payable in respect of any compulsory acquisition).

2.3.2 As stated in Section 2.2.6 above, it is intended that CEHL would provide the funding to REPCO to cover the initial development phase. CEHL is able to finance these costs from its current resources. The post-financing free cashflows generated by the Cory Group over the period between the date of this DCO Application and the completion of REP's commissioning are in excess of £50 million per year. CEHL's audited accounts up to 31 December 2017 show total net assets in excess of £328 million. A copy of the audited accounts is included at **Appendix B** of this Statement.

2.3.3 In anticipation that the Proposed Development will meet or exceed the Dusty Topco Limited Board's investment criteria, the forecast costs are already included in the Cory Group's 2019 budget and its five-year business plan.

2.4 Project Funding

2.4.1 As noted above, the funding for the Proposed Development following planning award will be sourced from a combination of CEHL's cash resources, the Group's shareholders and third-party debt finance.

2.4.2 With the support of the Cory Group's legal and financial advisors, REPCO would consult a variety of financial institutions, including those with existing strong relationships with the Cory Group. The Cory Group expects that a significant proportion of REPCO's debt financing would be provided from current and former lenders to RRRL; financiers that understand REP's market and the proposed facility's technology in their capacity either as current or past members of the bank syndicates that finance RRRF. Indeed, the current facility agreements with the lenders to RRRL include the ability for the RRRL Group to provide financial guarantees and/or advance funds to REPCO to support the Proposed Development.

3 Land Acquisition and Blight

3.1 Land Acquisition

3.1.1 The delivery of the Proposed Development requires the acquisition of land (freehold and leasehold) or rights (including the creation of rights and the imposition of restrictions) in, under and over land, and the temporary possession of land.

3.1.2 Most of the freehold land in the REP site required for the implementation of the Proposed Development is already owned by entities within the Cory Group.

3.1.3 However, as set out in the Statement of Reasons (Document Reference 4.1), compulsory acquisition powers are required to acquire the freehold of certain plots, acquire the leasehold interest in certain plots, acquire and create rights in land (including imposing restrictions), and temporarily possess land to ensure that the Proposed Development can proceed without impediment.

3.1.4 Both CEHL and REPCO remain committed to securing the necessary land and rights required for the Proposed Development through voluntary agreement and is in ongoing discussions with all affected persons.

3.2 Funding for Land Acquisition and Blight

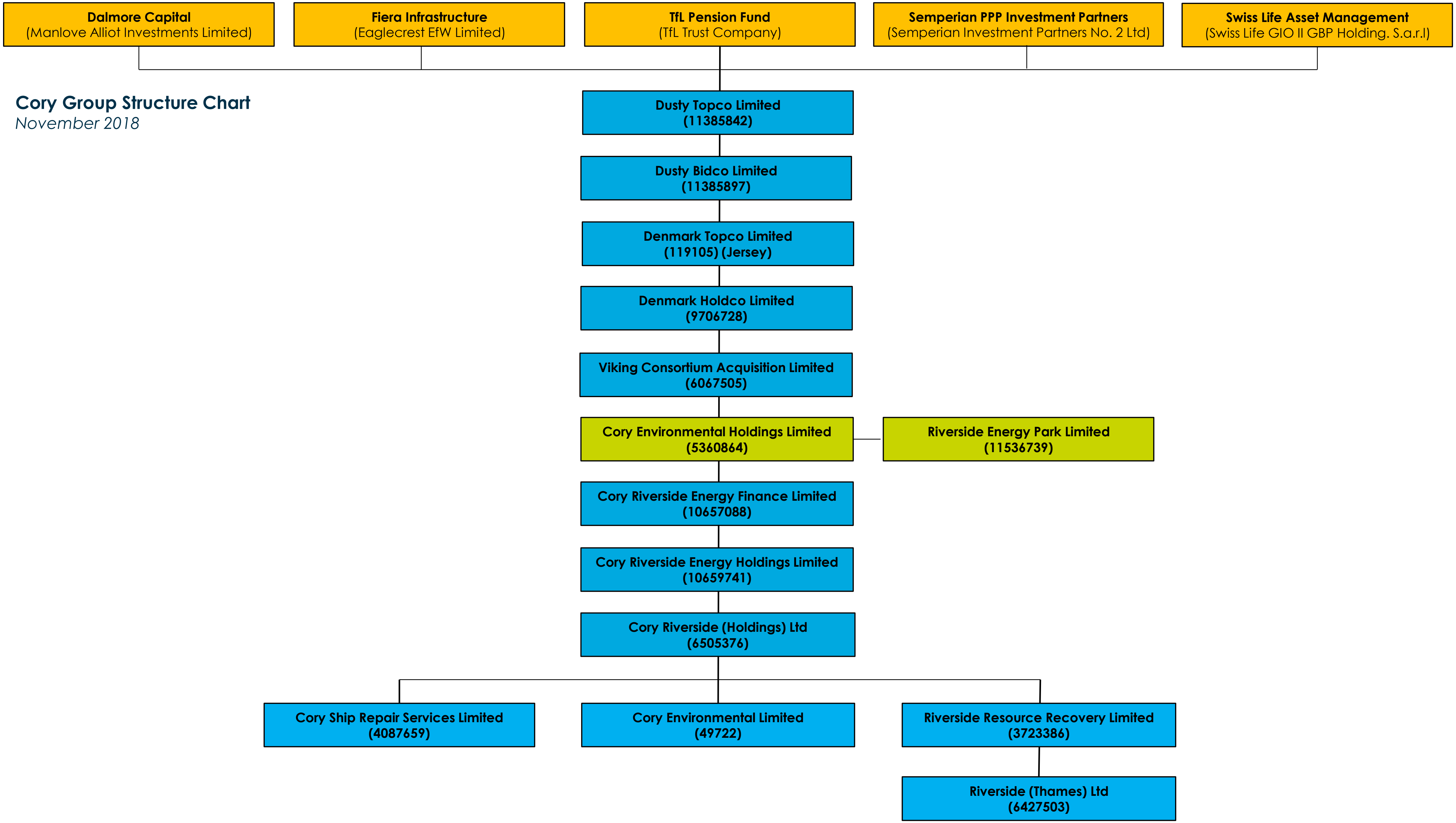
3.2.1 The current estimate of the Proposed Development is £490 million. This includes an amount to cover the compensation payable in respect of any compulsory acquisition included in the DCO and required for the Proposed Development.

3.2.2 Should any claims for blight arise because of the Application, CEHL and, through CEHL, REPCO have sufficient funds to meet the cost of acquiring these interests at whatever stage they are served. However, CEHL has not identified any interests in the DCO land which it considers could be eligible to serve a blight notice.

Appendix A CEHL Group Corporate Structure

Cory Group Structure Chart

November 2018



Appendix B CEHL Audited Accounts

Cory Environmental Holdings Limited

Report and Financial Statements

Year Ended

31 December 2017

Company Number 5360864

Cory Environmental Holdings Limited

Report and financial statements
for the year ended 31 December 2017

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Directors

R L Milnes-James
A R Pike
C N Pollard
J W Walker

Secretary and registered office

T Bridgman, 2 Coldbath Square, London, EC1R 5HL

Company number

5360864

Auditors

BDO LLP, 55 Baker Street, London, W1U 7EU

Cory Environmental Holdings Limited

Strategic report
for the year ended 31 December 2017

The directors present their strategic report together with the audited financial statements for the year ended 31 December 2017.

Principal activity and review of the business

The principal activity of the company is that of an investment holding company.

In the opinion of the directors, the financial statements give a fair view of the development of the business during the year and of its position at the end of the year.

Results

The company's profit for the financial year amounted to £90.0m (2016 – £131.1m). The 2017 results include dividends received of £96.5m (2016 – £4.9m).

Review of the business

In the opinion of the directors the financial statements give a fair review of the development of the business during the year and of its position at the end of the period. There have been no significant events outside the normal course of business since the balance sheet date.

A comprehensive review of the state of affairs of the group, together with key performance indicators and risks and uncertainties, is contained in the report and consolidated financial statements of Denmark Holdco Limited.

Future developments

The directors aim to pursue policies conducive to the wellbeing of the company, its employees and shareholders. Opportunities to expand existing businesses and to branch out into new areas are kept under constant review, evaluated and implemented if financially and operationally feasible.

Going concern

The directors have carried out detailed forward projections and have concluded that there is a reasonable prospect that for the foreseeable future, the company will have adequate resources to meet its obligations as they fall due. With the company having also received confirmation of on-going support from its parent company, the directors consequently continue to adopt the going concern basis in preparing the annual report and financial statements.

Health and safety matters

It is the policy of the group to prevent all personal injuries, dangerous occurrences and damage to property by meeting the standards set by regulations and guidance, and as opportunity permits, setting its own, more stringent standards.

It is the group's policy to ensure that all employees are aware that they have a legal and moral responsibility for their own safety, for the safety of those who might be affected by their actions, and to co-operate with their employer in Health and Safety matters. Employee consultation and involvement in safety related activities is ensured through safety committees, joint consultative committees and other similar bodies to which all employees have access.

The group operates a 'whistle blowing' system so that safety concerns might be raised by any person without fear of adverse reaction in the knowledge that they will be investigated independently of the operational management.

Health and safety matters *(continued)*

In 2003 the Cory group committed itself to the Environmental Services Association (ESA) Accident Reduction Charter as part of which it undertook to reduce the most severe accidents (those reported under Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR)) by 10% year-on-year for five years. In 2009 the group recommitted itself to a renewed ESA Reduction Charter to achieve a further 10% year-on-year reductions from 2009 to 2015. This scheme was subsequently extended by ESA to 2018. Since its inception this scheme has reduced RIDDOR accident rates by more than 80% of their 2004 levels.

Principal risks and uncertainties

The company's principal risks and uncertainties can broadly be defined as legislative and planning and financial.

Employee matters

The company is aware of the importance of good communication in relationships with its staff. Through training and regular meetings with senior management the company seeks to maintain a common appreciation of the company's performance and encourage an open dialogue as to how to continue to improve operational performance and service delivery to its customers.

The company continues its policy regarding the employment of disabled persons and of giving full and fair consideration to applications for employment made by disabled persons having regard to their aptitudes and abilities. Appropriate training is arranged for disabled persons, including retraining for alternative work of employees who become disabled, to promote their career development within the organisation.

Social and community matters

The company has a policy to support local communities. This support is through direct involvement with the people who live near our major operational sites via community liaison groups. We have supported local housing associations in developing their resident's functional skills, supported local schools through the Industrial Cadets process and have continue to seek local students to become Cory apprentices.

Approval

This strategic report was approved on behalf of the Board on 30th April 2018.

[redacted]

Director

30th April 2018

Directors' report
for the year ended 31 December 2017

The directors present their directors' report together with the audited financial statements for the year ended 31 December 2017.

Dividends

The company issued dividends during the year of £18.5m (2016 – £nil). The directors do not propose payment of a final dividend.

Strategic report

A review of the business for the year ended 31 December 2017, including an analysis of key financial and other performance indicators, and future developments, is included in the strategic report.

Directors

The directors who served the company during the period were as follows:

R L Milnes-James
A R Pike
C N Pollard
J W Walker (appointed 5 December 2017)

Appropriate directors' and officers' liability insurance cover is in place in respect of all of the company's directors.

Directors' responsibilities

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

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

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

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

Post balance sheet events

Following the year end, the company acquired Thames Ship Repair Services Limited, an established shipping maintenance company based in Gravesend, Kent, who owned the last barge repair slipways on the Thames, for a total consideration of £0.6m. The acquisition enables the group to take the ability to maintain its fleet of barges in-house. The acquisition includes two slipways off the River Thames and will further increase the resilience of CRE's lighterage operations and enable it to accommodate the expansion of its existing 52 vessel fleet and facilitate its planned river logistics strategy.

Auditor

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditor for the purposes of their audit and to establish that the auditor is aware of that information. The directors are not aware of any relevant audit information of which the auditor is unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them as auditors will be proposed at the next annual general meeting.

On behalf of the Board

[redacted]

Director

30th April 2018

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF CORY ENVIRONMENTAL HOLDINGS LIMITED

Opinion

We have audited the financial statements of Cory Environmental Holdings Limited ("the Company") for the year ended 31 December 2017 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

We have nothing to report in this regard.

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 Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and director's report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion;

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or

- the financial statements are not in agreement with the accounting records and returns; or

- certain disclosures of Directors' remuneration specified by law are not made; or

- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the directors' report, 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 determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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.

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.

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

[redacted]

For and on behalf of BDO LLP, statutory auditor
London

Date 30 April 2018

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

Cory Environmental Holdings Limited

Income statement
for the year ended 31 December 2017

	Note	2017 £'000	2016 £'000
Administrative expenses (excluding exceptional items)		**(5,439)**	(84)
Exceptional items:			
Release of intercompany bad debt provisions	3	**-**	117,381
Operational reorganisation	3	**(5,097)**	(70)
Operating (loss)/profit	7	**(10,533)**	117,226
Other finance income	6	**96,527**	4,903
Interest receivable and similar income	8	**2,758**	14,250
Interest payable and similar charges	9	**(513)**	(5,344)
Profit on ordinary activities before taxation		**88,237**	131,036
Taxation on profit from ordinary activities	10	**1,773**	87
Profit for the financial year		**90,010**	131,123

The notes on pages 12 to 25 form part of these financial statements.

Cory Environmental Holdings Limited

Statement of comprehensive income
for the year ended 31 December 2017

	Note	2017 £'000	2016 £'000
Profit for the financial year		**90,010**	131,123
Revaluation of investments	12	**(18,149)**	65,969
Total comprehensive income for year		**71,861**	197,092

The notes on pages 12 to 25 form part of these financial statements.

Cory Environmental Holdings Limited

Balance sheet
at 31 December 2017

Company number 5360864	Note	2017 £'000	2017 £'000	2016 £'000	2016 £'000
Fixed assets					
Tangible assets	11		54		56
Investments	12		262,868		347,000
			262,922		347,056
Current assets					
Debtors	13	63,154		101,930	
Cash at bank and in hand		5,503		6,119	
		68,657		108,049	
Creditors: amounts falling due within one year	14	(3,457)		(180,464)	
Net current liabilities			65,200		(72,415)
Total assets less current liabilities			328,122		274,641
Provisions for liabilities	15		(93)		(16)
Net assets			328,029		274,625
Capital and reserves					
Called up share capital	16		-		-
Share premium			-		-
Capital reserve			-		-
Profit and loss account			328,029		274,625
Revaluation reserve			-		-
Shareholders' funds			328,029		274,625

The financial statements were approved by the Board of Directors and authorised for issue on 30th April 2018.

[redacted]

Director

The notes on pages 12 to 25 form part of these financial statements.

Cory Environmental Holdings Limited

Statement of changes in equity
for the year ended 31 December 2017

	Share capital £'000	Share premium £'000	Capital reserve £'000	Revaluation reserve £'000	Profit and loss account £'000	Total equity £'000
At 1 January 2016	**20**	**1,980**	**150,000**	**161,695**	**(236,162)**	**77,533**
Profit for the year	**-**	**-**	**-**	**-**	**131,123**	**131,123**
Revaluation of investments (see note 12)	-	-	-	135,632	(69,663)	65,969
Total comprehensive income for the year	**-**	**-**	**-**	**135,632**	**61,460**	**197,092**
Bonus share issue	447,327	-	(150,000)	(297,327)	-	-
Capital reduction	(447,347)	(1,980)	-	-	449,327	-
At 31 December 2016	**-**	**-**	**-**	**-**	**274,625**	**274,625**

	Share capital £'000	Share premium £'000	Capital reserve £'000	Revaluation reserve £'000	Profit and loss account £'000	Total equity £'000
At 1 January 2017	**-**	**-**	**-**	**-**	**274,625**	**274,625**
Profit for the year					**90,010**	**90,010**
Revaluation of investments (see note 12)	-	-	-	-	(18,149)	(18,149)
Other comprehensive expense	**-**	**-**	**-**	-	(18,149)	(18,149)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	71,861	71,861
Dividends issued	-	-	-	-	(18,457)	(18,457)
At 31 December 2017	**-**	**-**	**-**	**-**	**328,029**	**328,029**

The notes on pages 12 to 25 form part of these financial statements.

1 Accounting policies

Cory Environmental Holdings Limited is a company incorporated in England and Wales under the Companies Act. The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires company management to exercise judgement in applying the company's accounting policies.

Company disclosure exemptions

As its results are included in the group's consolidated financial statements, the company has taken advantage of the following disclosure exemptions available under FRS102:

- the requirement to present a statement of cash flows and related notes;
- the requirement to disclose the company's financial instruments; and
- the requirement to disclose aggregate remuneration of the key management personnel of the company as their remuneration is included in the totals for the group as a whole.

The following principal accounting policies have been applied:

Exceptional items

The company presents as exceptional items on the face of the income statement those material items of income and expense which, because of the nature and expected infrequency of events giving rise to them, merit separate presentation to allow shareholders to understand better the elements of financial performance in the year, so as to facilitate comparison with prior periods and to assess better trends in financial performance.

Going concern

The directors have carried out detailed forward projections and have concluded that there is a reasonable prospect that for the foreseeable future, the company will have adequate resources to meet its obligations as they fall due. With the company having also received confirmation of on-going support from its parent company, the directors consequently continue to adopt the going concern basis in preparing the annual report and financial statements.

1 Accounting policies *(continued)*

Tangible assets

Tangible assets are initially recorded at cost. The landfill void is filled in sections or "cells". Site costs incurred during the year in preparing a cell are capitalised and depreciated over the life of that cell once usage of it commences. The provision for the company's minimum unavoidable costs in relation to the final landfill site restoration is capitalised as a fixed asset.

Depreciation is not normally charged in respect of freehold land except in the case of landfill sites where depreciation is charged over the operational life of the site. Depreciation is recognised for the Energy from Waste facility once the plant has reached normal operating capacity.

Depreciation is provided on all other tangible assets at rates calculated to write off the cost or valuation, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Short leasehold property	-	Over the life of the lease
Plant and machinery	-	3 years

The carrying values of tangible assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Any interest on loans relating to the construction of the energy from waste facility was capitalised until the completion of the commissioning.

Fixed asset investments

Investments in subsidiaries are accounted for at fair value, with increases being recorded through other comprehensive income with a subsequent increase in revaluation reserve. Any subsequent downward valuations are recorded in other comprehensive income against the revaluation reserve until the asset reduces below historical cost at which point an impairment charge is recorded within the profit and loss reserve. Where a bonus issue of shares is made from the revaluation reserve and subsequent downward revaluation of the investment occurs the difference is recorded directly in the profit and loss reserve.

The fair value of the fixed asset investment is based on market values where available. If a market value was not available then a dividend discounting approach or a discounted cashflow approach was used. The methodology used is considered the best to estimate the transaction price on the measurement date in an arm's length exchange motivated by normal business.

1 Accounting policies *(continued)*

Current and Deferred taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised as equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustments to tax payable in previous years.

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the following exception:

- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Pensions

The company operates the following defined contribution pension schemes:

- The Cory Environmental Voyager Replacement Pension;
- The Cory Environmental Odyssey Replacement Pension;
- The Cory Environmental Nestor Replacement Pension;
- The Cory Environmental Pension Scheme; and
- The People's Pension.

These are run on behalf of the employees and operated by Cory Environmental Holdings Limited in the United Kingdom. Contributions to defined contribution schemes are recognised in the income statement in the period in which they become payable.

Leasing and hire purchase contracts

Assets held under finance leases and hire purchase contracts are included in tangible fixed assets and are depreciated over the shorter of the contract term or their useful life. The net obligation relating to finance leases and hire purchase contracts is included as a liability. The interest element of the leasing payments represents a constant proportion of the capital balance outstanding and is charged to the income statement over the period of the lease. Costs in respect of operating leases are charged to the income statement on a straight-line basis over the lease period.

Operating leases

Rentals paid under operating leases are charged to the income statement on a straight line basis over the lease term.

Provisions for liabilities

A provision is recognised when the company has legal or constructive obligations as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation.

1 Accounting policies *(continued)*

Insurance provisions

The company maintains insurance policies with significant excesses, below which claims are borne by the company. Full provision is made for the estimated costs of claims or losses arising from past events falling outside the limits of these policies.

Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement and accrued at the balance sheet date.

Related party exemption

The company has taken advantage of the exemption available in FRS 102 from disclosing related party transactions with members of the company headed by Denmark Holdco Limited on the grounds that the company is a wholly owned member of the company.

2 Significant judgements and estimates

In preparing these financial statements, the directors have made the following judgements:

- Determine the fair value of the company's fixed asset investment in both current year and retrospectively. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset, future capital structure, an appropriate methodology and supporting assumptions for calculating the investment's fair value including discount rate and expected revenues and costs.
- Determine the likelihood of claims arising from third parties and make provisions as appropriate.

3 Exceptional items

	2017 £'000	2016 £'000
Other exceptional items included within operating profit:		
Operational reorganisation including refinancing	**5,097**	70
Release of intercompany bad debt provision	-	(117,381)
	5,097	(117,311)

In the prior year the group undertook a group reorganisation with the sale of the Collections and Brokerage of which the costs were borne by the company. The exceptional costs in the prior year consists of advisor fees and other expenses related to the sale of the Collections, Brokerage and Landfill & Gas divisions.

The reorganisation of the group continued in the year with the sale of the landfill business and the refinancing of the Riverside debt. The operational reorganisation costs consists of advisory fees, redundancies and salary bonuses on completion of the reorganisation.

The bad debt provision against an intercompany receivable was released in the prior year as the balance was subsequently settled.

4 Employees

	2017 £'000	2016 £'000
Staff costs consist of:		
Wages and salaries	**4,585**	590
Social security costs	**391**	121
Other pension costs	**286**	188
	5,262	899

	Number	Number
The average number of employees during the year was as follows:		
Administration	**32**	14

In the prior year employees were transferred from a fellow subsidiary to Cory Environmental Holdings Limited in September 2016. Prior to this, there were no employees in the company.

5 Directors

	2017 £'000	2016 £'000
Directors' remuneration consists of:		
Aggregate remuneration in respect of qualifying services	**2,468**	846
Aggregate contributions to money purchase pension schemes	**48**	51
	2,516	897

	Number	Number
Number of directors accruing benefits under money purchase scheme	**4**	3

	£'000	£'000
Other information regarding the highest paid director is as follows:		
Aggregate remuneration in respect of qualifying services	**1,048**	320
Aggregate contributions to money purchase pension schemes	**28**	16
	1,076	336

During the prior year, three directors of the Company were granted shares in the indirect parent company, Denmark Holdco Limited (DHL) under a share based payment scheme. The total expense for the year has been recognised within the financial statements of DHL.

6 Other income

During the year the company received dividends from its subsidiary of £96,527k (2016 - £4,903k)

7 Operating loss/profit

	2017 £'000	2016 £'000
This has been arrived at after charging/(crediting):		
Operating lease rentals:		
- vehicles, plant and equipment	**52**	52
- land and buildings	**216**	216
Fees payable to the company's auditor for the audit of the company financial statements	**185**	59
Fees payable to the company's auditor for other services to the company	**65**	52
Exceptional items (note 3)	**5,097**	(117,311)
Depreciation - owned assets	**33**	3

The auditor's remuneration can be analysed as follows:

	2017 £'000	2016 £'000
1. The auditing of accounts of any associate of the company	**185**	52
2. Audit-related assurance services	**-**	-
3. Taxation compliance services	**30**	6
4. All taxation advisory services not falling within point 3	**14**	1
5. All assurance services not falling within points 1 to 4	**21**	-
	250	59

8 Interest receivable and similar income

	2017 £'000	2016 £'000
Interest receivable from company undertakings	**2,758**	14,250

9 Interest payable and similar charges

	2017 £'000	2016 £'000
Interest payable to company undertakings	**513**	5,344

10 Taxation on profit from ordinary activities

	2017 £'000	2017 £'000	2016 £'000	2016 £'000
UK corporation tax				
Current tax on profits for the year		**(1,557)**		304
Adjustment in respect of previous periods		**(380)**		(391)
Total current tax		**(1,937)**		(87)
Deferred tax				
Origination and reversal of timing differences	**164**		-	
Total deferred tax		**164**		-
Total tax credit for period		**(1,773)**		(87)

The tax credit assessed for the year is lower than the standard rate of corporation tax in the UK applied to profit before tax. The differences are explained below:

	2017 £'000	2016 £'000
Profit on ordinary activities before tax	**88,237**	131,036
Taxation on profit on ordinary activities at the standard rate of corporation tax in the UK of 19.25% (2016 - 20%)	**16,982**	26,207
Effects of:		
Fixed asset differences	**187**	-
Expenses not deductible for tax purposes	**54**	(25,903)
Income not taxable for tax purposes	**(18,578)**	-
Adjustments in respect of prior periods	**(381)**	(392)
Changes to tax rates	**(23)**	-
Deferred tax not recognised	**(14)**	1
Total tax credit for period	**(1,773)**	(87)

The main rate of UK corporation tax reduced to 19% from 1 April 2017 (from 20% since 1 April 2015), resulting in a corporation tax rate of 19.25% for this accounting period. This will reduce to 17% from 1 April 2020.

11 Tangible assets

	Short leasehold £'000	**Plant and machinery £'000**	**Totals £'000**
Cost			
At 1 January 2017	457	884	1,341
Additions	-	33	33
Disposals	-	(94)	(94)
At 31 December 2017	**457**	**823**	**1,280**
Depreciation			
At 1 January 2017	451	834	1,285
Charge for the period	5	29	34
Disposals	-	(93)	(93)
At 31 December 2017	**456**	**770**	**1,226**
Net book value			
At 31 December 2017	**1**	**53**	**54**
At 31 December 2016	6	50	56

12 Investments

Company	**2017** **£'000**	**2016** **£'000**
Cost:		
At 1 January	**347,000**	186,000
Additions		95,031
Disposals	**(65,983)**	-
Revaluation	**(18,149)**	65,969
Cost at 31 December	**262,868**	347,000
Net book value:		
At 31 December	**262,868**	347,000

During the year there was a downward revaluation of investments of £18,149k and a disposal of £63,983k which relates to Cory Environmental Limited being transferred to an indirect subsidiary, Cory Riverside Holdings Limited.

During the year the company also disposed of its investment in its Landfill & Gas business for £2.0m. The companies disposed were Cory Environmental Finance Limited and its subsidiaries.

The downward revaluation is mostly due to an increase in the intercompany receivable position from Cory Environmental Holdings Limited's subsidiaries.

At the 31 December 2017 the Company holds 100% of the equity share capital of the following subsidiary companies. All entities are incorporated in the UK.

Company	**Nature of business**
Held Directly	
Cory Riverside Energy Finance Limited	Holding company
Held Indirectly	
Cory Riverside Energy Holdings Limited	Holding company
Cory Riverside (Holdings) Limited	Holding company
Cory Environmental Limited	Waste management services
Riverside Resource Recovery Limited	Waste management services
Riverside (Thames) Limited	Waste management services

The registered office of the company's subsidiaries is 2 Coldbath Square, London, EC1R 5HL.

13 Debtors

	2017 £'000	2016 £'000
Trade debtors	**25**	27
Amounts owed by company undertakings	**61,152**	100,928
Other debtors	**290**	505
Corporation tax	**1,557**	-
Deferred tax asset (note 20)	**-**	164
Prepayments and accrued income	**130**	306
	63,154	101,930

Amounts owed by parent undertakings are unsecured with no fixed date of repayment. Interest was charged on outstanding balances at rates in the range of 0.0% to 12.0% (2016 – 0.0% to 12.0%) during the year.

The expense recognised in the period in respect of bad and doubtful trade debtors was £nil (2016 - £nil).

14 Creditors: amounts falling due within one year

	2017 £'000	2016 £'000
Trade creditors	**281**	249
Amounts owed to company undertakings	**36**	177,657
Corporation tax	**-**	380
Social security and other taxes	**511**	601
Other creditors	**170**	238
Accruals and deferred income	**2,459**	1,339
	3,457	180,464

Amounts owed to parent undertakings are unsecured with no fixed date of repayment. Interest was charged on outstanding balances at rates in the range of 0.0% to 2.8% (2016 - 2.6% to 2.8%) during the year.

15 Provisions for liabilities

	Insurance £'000	Liabilities and damages £'000	Total £'000
At 1 January 2017	1	15	16
Charged to the income statement	92	-	92
Released	-	(15)	(15)
At 31 December 2017	**93**	**-**	**93**

The insurance provision is in respect of the costs of claims which are not insured externally, or fall below the excess threshold of the company's insurance policies. Claims can take several years to be settled.

16 Share capital

	Allotted, called up and fully paid			
	2017 Number	2016 Number	2017 £'000	2016 £'000
'A' ordinary shares of £0.01 each	85	85	-	-
'B' ordinary shares of £0.01 each	15	15	-	-

17 Commitments under operating leases

The company had minimum lease payments under non-cancellable operating leases as set out below:

	2017 £'000	2016 £'000
Within one year	**260**	275
Between one and five years	**879**	926
Over five years	**1,715**	1,930
	2,854	3,131

The company had no commitments under non-cancellable operating leases as at the balance sheet date.

18 Pension commitments

The company's pension costs are analysed as follows:

	2017 £'000	2016 £'000
Defined contribution schemes	**286**	188

Defined contribution schemes

The company primarily operates the following defined contribution pension schemes:

- The Cory Environmental Voyager Replacement Pension;
- The Cory Environmental Odyssey Replacement Pension;
- The Cory Environmental Nestor Replacement Pension;
- The Cory Environmental Pension Scheme, and
- The People's Pension

The assets of the schemes are held separately from those of the company in independently administered funds.

The total pension cost charge includes contributions payable by the company to the funds and amounted to £286k (2016 - £188k).

19 Contingent liabilities

The nature of the company's business and the extent of its operations are such that it is from time to time involved in legal proceedings, as plaintiff or defendant. The directors are of the opinion that there are no current proceedings that have not been provided for and might have a material effect on the company.

The company has contingent liabilities as follows:

	2017 £'000	2016 £'000
Parent company acquisition bank debt	**190,254**	293,431
Letters of credit held in favour of the Environmental Agency and local authorities	-	25,965
Letters of credit for Riverside	-	17,500
Other letters of credit	-	1,327
Parent company guarantees	-	109,152
Performance guarantees/bonds held in favour of local authorities	**100**	16,552

The Company, as a subsidiary of Denmark Topco Limited, at the balance sheet date, is a member guarantor in respect of the obligations contained within the finance documents of Viking Consortium Acquisition Limited and cross guarantees the performance and obligations of other companies within the company.

20 Deferred taxation

Deferred tax asset falling due within one year

	2017 £'000	2016 £'000
Deferred tax asset at beginning of year	**164**	-
Transferred from group company with transfer of fixed assets	-	164
Charged to income statement	**(164)**	-
Deferred tax asset at end of year	-	164

The deferred tax asset is made up of the following:

	2017 £'000	2016 £'000
Accelerated capital allowances	-	134
Short term timing differences	-	30
	-	164

Short term timing differences mainly relate to timing differences arising from the movement in provisions where the tax deduction is not permitted until the provision is utilised.

21 Key management personnel

Key management personnel include all directors and a number of senior managers across the company who together have the authority and responsibility for planning, directing and controlling the activities of the company.

22 Related party transactions

The Company has taken advantage of the exemption available in FRS 102 from disclosing related party transactions with members of the group headed by Denmark Holdco Limited on the grounds that the Company is a wholly owned member of the group.

During the year the company cash paid £0.4m of expenses on behalf of its ultimate parent company, Denmark Topco Limited.

23 Ultimate parent undertaking and controlling party

The Company's immediate parent undertaking is Viking Consortium Acquisition Limited. Viking Consortium Acquisition Limited is the parent company of the smallest group of which the Company is a member and for which group financial statements are prepared.

At the balance sheet date, the Company's ultimate parent undertaking and controlling party was Denmark Topco Limited, a company incorporated in Jersey.

Denmark Holdco Limited is the parent undertaking of the largest group of which the Company is a member for which group financial statements are prepared.

Copies of the financial statements of Viking Consortium Acquisition Limited and Denmark Holdco Limited can be obtained from 2 Coldbath Square, London, EC1R 5HL.

24 Reserves

The following describes the nature and purpose of each reserve within equity:

Reserve	**Description and purpose**
Share premium	Amount subscribed for share capital in excess of nominal value.
Profit and loss account	Cumulative profits or losses, net of dividends paid and other adjustments available for distribution. Transfer of losses on fixed asset investments post revaluation reserve being reduced to £nil.
Revaluation reserve	Gains/losses arising on the revaluation of the company's fixed asset investments.

25 Post balance sheet event

Following the year end, the company acquired Thames Ship Repair Services Limited, an established shipping maintenance company based in Gravesend, Kent, who owned the last barge repair slipways on the Thames, for a total consideration of £0.6m. The acquisition enables the group to take the ability to maintain its fleet of barges in-house. The acquisition includes two slipways off the River Thames and will further increase the resilience of CRE's lighterage operations and enable it to accommodate the expansion of its existing 52 vessel fleet and facilitate its planned river logistics strategy.