

Registered number Jersey: 131297

Registered number UK: FC038143

Registered number UK Branch: BR023235

PLANETS HOLDCO LIMITED

ANNUAL REPORT
AND
FINANCIAL STATEMENTS FOR THE PERIOD ENDED
31 March 2021

Strategic Report for the Period Ended 31 March 2021

The directors present their strategic report for the period ended 31 March 2021.

PRINCIPAL ACTIVITIES

Planets Holdco limited ("the Company") is a private company registered in Jersey and was established in March 2020. The UK establishment of Planets Holdco Limited was registered on 20 March 2021.

This report covers the period from the incorporation of until 31 March 2021.

BUSINESS REVIEW

Financial results

Operating profit before interest, tax and depreciation, was £nil.

Net finance costs were £nil.

The Company's taxation position results in a credit of £3.3 million.

Profit after tax for the period was £3.3 million.

Investment

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

Financing

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

Dividends and reserves

No interim dividends were paid in the period. The Directors do not recommend the payment of a final dividend.

The transfer to retained earnings for the period was £3.3 million.

The balance in retained earnings at 31 March 2021 is £3.3 million.

Principal risks and uncertainties

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Viridor Group and are not separately managed. Accordingly, the principal risks and uncertainties of Viridor Limited, which include those of the Company, are discussed on pages 9 to 12 of Viridor Limited's Annual Report and Financial Statements which does not form part of this Report.

Financial risk management

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

Impact of COVID-19

It has been a difficult and challenging period for our people, and we have kept safety and wellbeing at the heart of our business. Our business remained resilient through the lockdown period.

As the country continues its careful emergence from the pandemic, we are closely following the Government's advice. Our approach to a return to normality remains a cautious one.

James Gordon

J A Gordon

Director

Directors' Report for the Period Ended 31 March 2021

The directors present their report and the unaudited financial statements for the period ended 31 March 2021.

The Directors' Report is prepared in accordance with the provisions of the Companies (Jersey) Law 1991 and regulations made thereunder. It comprises pages 4 to 5 as well as any matters incorporated by reference. Information regarding Holdco, including events and its progress during the period, events since the period-end and likely future developments is contained in the strategic report set out on pages 2 to 3.

In addition, and in accordance with Companies (Jersey) Law 1991, the strategic report contains a fair, balanced and comprehensive review and analysis of the development and performance of the Company's business during the period and the position of the Company's business at the end of the period.

Going concern

The financial statements have been prepared on the going concern basis due to the Company having access, via dividends and voting control, to ensure it can meet all of its liabilities as they fall due.

Donations

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

Financial instruments

Details of the Company's financial instruments are provided in note 2 commencing on page 12 and note 8 on page 18.

Events after the reporting period

Events after the reporting date for the Company are discussed in Note 15

Directors

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

T P Gallagher (appointed 26 March 2020, resigned 4 October 2021)

J A Gordon (appointed 26 March 2020)

T C Davies (appointed 26 March 2020)

The same individuals were appointed as directors of the UK establishment of Planets Holdco Limited on 20 March 2021 and remained in office during the period.

Directors' insurance and indemnities

The Directors have had the benefit, throughout the period, of Directors' and Officers' liability insurance entered into by its subsidiaries.

Employment policies and employee involvement

The Company has no employees. Services provided by the Company were undertaken by employees of Viridor. The Group in which the Company's financial statements are consolidated is Planets UK Midco Limited and its subsidiary undertakings ("the Group"). Policies relating to the training and development in the affairs, policy and performance of the Company can be found in the financial statements of Planets UK Midco Limited.

Parent company and ultimate controlling party

The Company is a subsidiary of Planets UK Midco Limited. The ultimate controlling party is KKR Planets Aggregator L.P.

James Gordon

J A Gordon

Director

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 period. Under that law the directors have elected to prepare the company financial statements in accordance with international accounting standards in conformity with the requirements of the Companies (Jersey) Law 1991. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements the directors are required to:

- select suitable accounting policies in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and 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, company financial position and financial performance.
- state whether international accounting standards in conformity with the requirements of the Companies (Jersey) Law 1991, 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 will not 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 company complies with the Companies (Jersey) Law 1991. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable law and regulations, the directors are also responsible for preparing a strategic report and directors' report, that comply with that law and those regulations.

Income Statement for the Period Ended 31 March 2021

	Note	2021 £m
Finance income	4	36.1
Finance costs	4	(36.1)
Net finance costs		<u>-</u>
Profit before tax		<u>-</u>
Taxation credit for the period	5	3.3
Profit for the period		<u><u>3.3</u></u>

The notes on pages 12 to 22 form part of these financial statements

Statement of Comprehensive Income for the Period Ended 31 March 2021

	Note	2021 £m
Profit for the period		3.3
Items that will not be reclassified subsequently to profit or loss		-
Cash flow hedges		-
Income tax on items that may be reclassified to profit or loss		
Items that may be reclassified subsequently to profit or loss		-
Total comprehensive income for the period		3.3

Statement of Financial Position as at 31 March 2021

	Note	31 March 2021 £m
Assets		
Non-current assets		
Other non-current receivables	9	636.1
Investments in subsidiaries	7	1,305.0
Deferred tax asset	10	3.3
		<u>1,944.4</u>
Non-current liabilities		
Borrowings	11	(636.1)
		<u>(636.1)</u>
Net assets		<u><u>1,308.3</u></u>
Equity		
Share capital	12	1.0
Share premium	12	1,304.0
Retained earnings		3.3
Total Equity		<u><u>1,308.3</u></u>

For the financial period ending 31 March 2021 the Company was entitled to exemption from audit under the Companies (Jersey) Law 1991 and section s479A of the UK Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

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

The financial statements on pages 7 to 22 were approved by the Board and authorised for issue on 25/11/2021 and signed on its behalf by:

James Gordon

J A Gordon

Director

Statement of Changes in Equity for the Period Ended 31 March 2021

	Share capital £m	Share premium £m	Retained earnings £m	Total £m
At 26 March 2020	-	-	-	-
Ordinary shares issued in the period	1.0	1,304.0	-	1,305.0
Profit for the period	-	-	3.3	3.3
Other comprehensive income	-	-	-	-
At 31 March 2021	1.0	1,304.0	3.3	1,308.3

Statement of Cash Flows for the Period Ended 31 March 2021

	Note	2021 £m
Cash flows from operating activities		
Profit for the period		3.3
<i>Adjustments to cash flows from non-cash items:</i>		
Finance income	4	(36.1)
Finance costs	4	36.1
Taxation charge	5	<u>(3.3)</u>
		-
Cash generated from operations		-
Net cash flows from operating activities		-
Cash flows from investing activities		
Investment in subsidiary undertakings		<u>(1,305.0)</u>
Net cash flows from investing activities		(1,305.0)
Cash flows from financing activities		
Proceeds from issue of share capital		1,305.0
Proceeds from loans from ultimate investors		600.0
Loans to subsidiary undertakings		<u>(600.0)</u>
Net cash flows from financing activities		1,305.0
Net (decrease)/increase in cash and cash equivalents		-
Cash and cash equivalents at 26 March 2020		<u>-</u>
Cash and cash equivalents at 31 March 2021		<u><u>-</u></u>

Notes to the Unaudited Financial Statements for the Period Ended 31 March 2021

1 General information

Planets Holdco Limited ("the Company") is a private company, limited by shares and registered in Jersey under the Companies (Jersey) Law 1991 which was incorporated on 26 March 2020. The UK establishment of Planets Holdco Limited, was registered on 20 March 2021. The Company's principal activity is that of a holding company for Viridor group companies in the United Kingdom. The subsidiary entities are engaged in the business of waste management, including resource recovery, recycling and low-carbon energy generation operated through a number of

The address of the Company's registered office is:

2nd Floor Sir Walter Raleigh House, 48-50 Esplanade, St. Helier, JE2 3QB, Jersey

The address of the UK establishment is:

11th Floor, 200 Aldersgate Street, London, EC1A 4HD, UK

The financial statements are for the period ended 31 March 2021.

2 Accounting policies

Statement of compliance

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards, and with those parts of the Companies (Jersey) Law 1991 and the UK Companies Act 2006 applicable to companies reporting under IFRS.

Summary of significant accounting policies 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

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

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

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

None of the standards, interpretations and amendments effective for the first time from 26 March 2020 have had a material effect on the financial statements.

None of the standards, interpretations and amendments which are effective for periods beginning after 1 April 2021 and which have not been adopted early, are expected to have a material effect on the financial statements.

Going concern

The financial statements have been prepared on a going concern basis.

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 Company 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 financial statements and on unused tax losses or tax credits in the company. 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 is 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.

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.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Bank overdrafts are shown within current borrowings.

Derivatives and other financial instruments

Financial instruments are recognised and measured in accordance with IFRS 9. The Company 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 company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

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.

Share capital

Ordinary shares are classified as equity.

Dividends

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

3 Critical accounting judgements and estimates

The Company's principal accounting policies are set out in note 2. Management is required to exercise significant judgment 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.

There were no critical accounting judgements nor estimates made in the period.

4 Net Finance Costs

	Finance costs £m	Finance income £m	2021 £m
Loans from ultimate investors	(36.1)	-	(36.1)
Loans to subsidiary undertakings	-	36.1	36.1
	<u>(36.1)</u>	<u>36.1</u>	<u>-</u>

5 Taxation

2021
£m

Analysis of charge in period

Deferred tax credit	3.3
Tax credit for period	<u>3.3</u>

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

The tax for the period differs from the theoretical amount which would arise using the standard rate of corporation tax in the UK of 19%.

2021
£m

Reconciliation of total tax credit

Profit before tax	-
Profit multiplied by the standard rate of UK corporation tax of 19%	-
Effects of:	
Expenses not deductible for tax purposes	3.5
Group relief received for no value	(6.8)
Other	
Tax credit for period	<u>(3.3)</u>

As announced in the Chancellor's Budget on 4 March 2021, the headline rate of corporation tax in the UK will increase from 1 April 2023 to 25%. As at the balance sheet date the change in tax rate was not substantively enacted and thus this change is not reflected in the tax charge in these financial statements.

This change was substantively enacted on 24 May 2021, following the third reading in the House of Commons.

The effect of the change of rate will be to increase the deferred asset by c £1.1million, represented by a tax credit of c £1.1million to the income statement.

6 Dividends paid

No dividends were paid in the period by the Company.

7 Investments in Subsidiaries

	2021 £m
At 26 March 2020	-
Additions	1,305.0
At 31 March 2021	<u>1,305.0</u>

The Company's subsidiary undertaking is Planets UK Midco Limited. Planets UK Midco Limited is a holding company and is incorporated in England.

8 Financial instruments by category

	Amortised cost Loans and receivables £m
Financial Assets	
Other receivables	636.1
	<u>636.1</u>
Financial Liabilities	
Borrowings	(636.1)
	<u>(636.1)</u>

9 Other non-current receivables

	31 March 2021 £m
Receivables from subsidiary undertakings	<u>636.1</u>
Non-current receivables were due:	
Over 5 years	636.1
	<u>636.1</u>

10 Deferred tax

Deferred tax is provided in full on temporary differences under the liability method using enacted tax rates.

	31 March 2021 £m
At 26 March 2020	-
Credited to the income statement	3.3
At 31 March 2021	<u>3.3</u>

Deferred tax assets have been recognised in respect of all temporary differences giving rise to deferred tax assets because it is probable that these assets will be recovered.

The majority of the Company's deferred tax asset is expected to be recovered over more than one year. All deferred tax assets and liabilities within the same jurisdiction are offset.

The movements in deferred tax assets and liabilities due to long term liabilities were:

	31 March 2021 £m
At 26 March 2020	-
Credited to the income statement	3.3
At 31 March 2021	<u>3.3</u>

11 Borrowings

	31 March 2021 £m
Non-current	
Amounts owed to ultimate investors	636.1
Total borrowings	<u>636.1</u>

The ultimate investors loans accrue interest at 8% per annum. This loan is structurally and legally subordinate to all other borrowings of the Company. The loan principal and interest are not due for payment until 7 December 2030.

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

The book values and fair values of non-current borrowings were:

	2021	
	Book value	Fair value
	£m	£m
Amounts owed to ultimate investors	636.1	709.8
	<u>636.1</u>	<u>709.8</u>

The carrying amounts of the Company's borrowings are denominated in £ sterling. The maturity of non-current borrowings was:

	2021
	£m
Between 1 and 2 years	-
Between 2 and 5 years	-
Over 5 years	636.1
	<u>636.1</u>

The weighted average maturity of non-current borrowings was 9 years.

	27 February 2021 £m	Cash flows £m	Accrued interest £m	31 March 2021 £m
Non-current ultimate investors loans	-	(600.0)	(36.1)	(636.1)
Total liabilities from financing activities	<u>-</u>	<u>(600.0)</u>	<u>(36.1)</u>	<u>(636.1)</u>

12 Share capital and share premium

	Share capital			Share Premium
	Authorised	Allotted, called up and fully paid		
	Thousands	Thousands	£m	£m
Ordinary shares of £0.01 each				
At 26 March 2020 Ordinary shares £1 each	1,000	-	-	-
Subdivision of Ordinary £1 shares into:	(1,000)	-	-	-
Ordinary shares £0.01 each	100,000	100,000	1.0	1,304.0
At 31 March 2021	100,000	100,000	1.0	1,304.0

On 8 July 2020, a special resolution was passed in which the existing authorised and issued share capital was subdivided into 100 million shares of £0.01 par value each.

13 Related party transactions

During the period, the Company entered into the following transactions with its ultimate investors and subsidiary undertakings.

	31 March 2021 £m
Income from provision of loan finance	
Subsidiary undertakings	36.1
	<u>36.1</u>
Costs from provision of loan finance	
Ultimate investors	(36.1)
	<u>(36.1)</u>
Period end balances:	
Receivables due from related parties for the provision of loan finance	
Subsidiary undertakings	636.1
	<u>636.1</u>
Payables due to related parties for the provision of loan finance	
Ultimate investors	(636.1)
	<u>(636.1)</u>

14 Ultimate controlling party

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

15 Events after the reporting period

On 2 June 2021, the Company, received in full £85m, as an interim dividend from its subsidiary, Planets UK Midco Limited.

On 2 June 2021, the Company, paid in full £85m, as an interim dividend to its parent, Planets Topco Limited.

On 1 September 2021, the Company, received in full £115m, as an interim dividend from its subsidiary, Planets UK Midco Limited.

On 1 September 2021, the Company, paid in full £115m, as an interim dividend to its parent, Planets Topco Limited.