CORY
RIVERSIDE ENERGY

NO WASTE FROM WASTE

CORY RIVERSIDE ENERGY
ANNUAL REVIEW 2019

Welcome

Positive, powerful energy flows through our Company like the Thames flows through London. This is because we're all here to make life better for our city, the country and ultimately, the planet.

We sort and segregate London's recyclable waste, and transport the non-recyclable waste on a fleet of barges, turning it into reliable, low-carbon energy. Harnessing the unique potential of the riverside, we help Londoners live sustainably.

This is what we do.
This is positive energy.

2019 HIGHLIGHTS

Energy generated
304GWh

Non-recyclable 'black bag' waste diverted from landfill
742kt

Recyclable waste sorted
69kt

Electricity generated to power equivalent number of homes
92,000

Carbon saved by diverting waste from landfill
148,000 tCO_2

Revenue
£138.1M

Profit before tax
£66.8M

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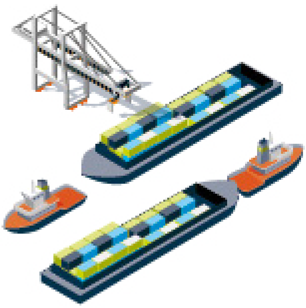

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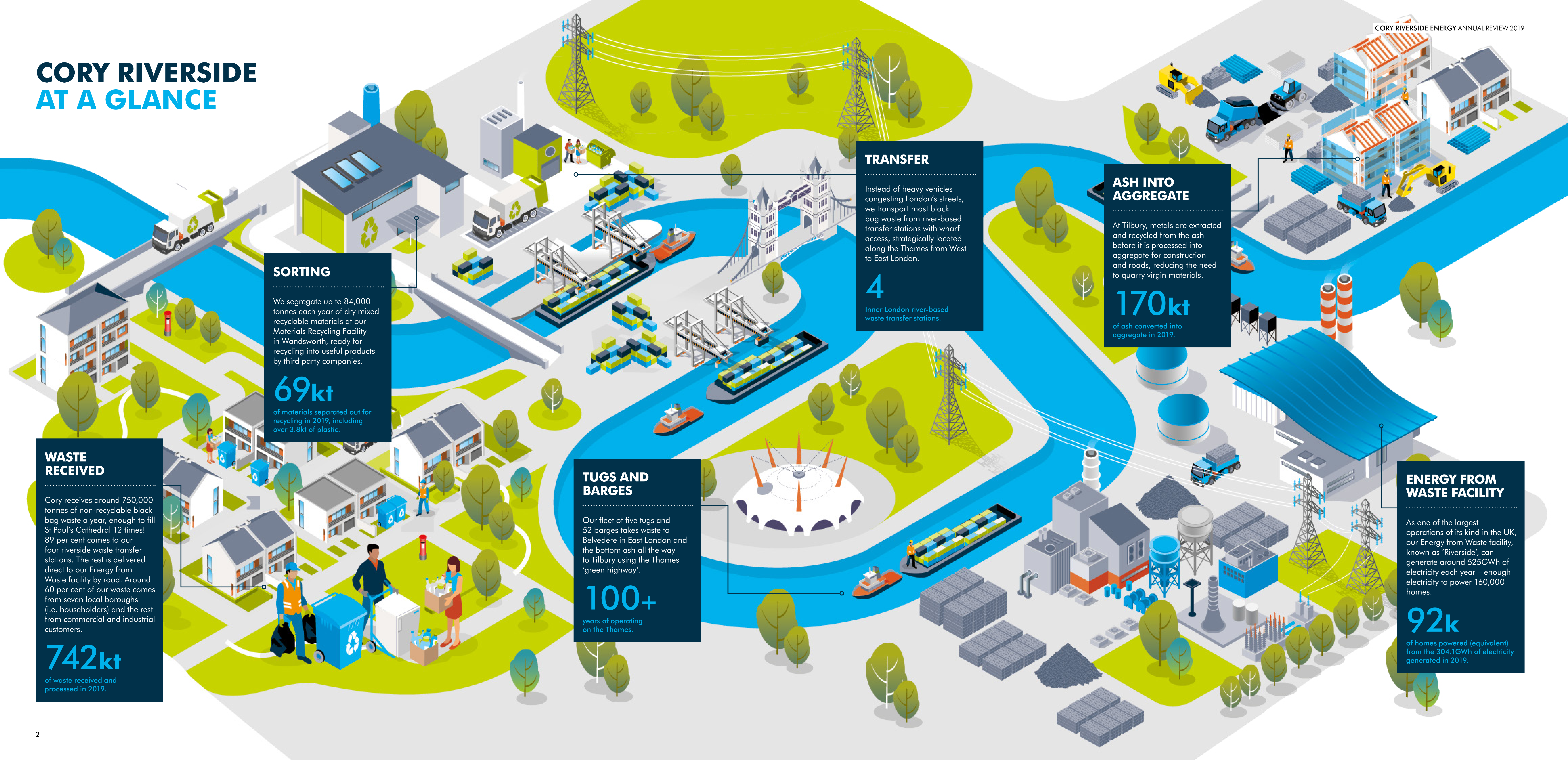
CORY RIVERSIDE AT A GLANCE



WASTE RECEIVED

Cory receives around 750,000 tonnes of non-recyclable black bag waste a year, enough to fill St Paul's Cathedral 12 times! 89 per cent comes to our four riverside waste transfer stations. The rest is delivered direct to our Energy from Waste facility by road. Around 60 per cent of our waste comes from seven local boroughs (i.e. householders) and the rest from commercial and industrial customers.

742kt

of waste received and processed in 2019.

SORTING

We segregate up to 84,000 tonnes each year of dry mixed recyclable materials at our Materials Recycling Facility in Wandsworth, ready for recycling into useful products by third party companies.

69kt

of materials separated out for recycling in 2019, including over 3.8kt of plastic.

TUGS AND BARGES

Our fleet of five tugs and 52 barges takes waste to Belvedere in East London and the bottom ash all the way to Tilbury using the Thames 'green highway'.

100+

years of operating on the Thames.

TRANSFER

Instead of heavy vehicles congesting London's streets, we transport most black bag waste from river-based transfer stations with wharf access, strategically located along the Thames from West to East London.

4

Inner London river-based waste transfer stations.

ASH INTO AGGREGATE

At Tilbury, metals are extracted and recycled from the ash before it is processed into aggregate for construction and roads, reducing the need to quarry virgin materials.

170kt

of ash converted into aggregate in 2019.

ENERGY FROM WASTE FACILITY

As one of the largest operations of its kind in the UK, our Energy from Waste facility, known as 'Riverside', can generate around 525GWh of electricity each year – enough electricity to power 160,000 homes.

92k

of homes powered (equivalent) from the 304.1GWh of electricity generated in 2019.

TRANSFORMING WASTE TO POWER A GREENER FUTURE

Using the power and reach of the River Thames, we receive waste from households and businesses at our riverside transfer stations, sort the recyclable waste received for onwards processing, then transport non-recyclable waste to our modern, efficient Energy from Waste facility downriver.

To us, this isn't waste. It is power for homes, businesses and infrastructure. It is building material for constructing a city. It is the power of a circular economy that will sustain us all, long into the future.

Cory Riverside Energy (Cory) has been operating barges along the River Thames since the late 1800s. Transporting London's waste by river means less road congestion, fewer carbon emissions, fewer road traffic accidents, and less air pollution on our streets.

Chairman's statement
Our role in a sustainable London

Welcome to our review of the year ended 31 December 2019. This is the first time we have reported in an integrated way on our business strategy and performance, sustainability agenda, governance and consolidated financial results. I am proud to have this opportunity to now introduce the Business.

The Covid-19 pandemic developed rapidly during the production of this report. While it had no impact on our 2019 results, we have dedicated considerable time and resources during the past few months to addressing the crisis. Our pandemic planning and business continuity plans were tested in earnest and, I am pleased to say, have mitigated the impact on Cory. The Board's priorities were clear from the outset: to ensure the health and wellbeing of all our people; to maintain safe operations to support our customers; and to maintain robust levels of liquidity. I would like to pay tribute to the executive team and everyone in the Business for delivering so well on these priorities. Whatever the coming year brings – and there is no doubt we will face continued challenges and uncertainty in the months ahead – I am confident that everyone will do their very best.

Our owners and long-term investment

This is the first full financial year under the ownership of the long-term investors who support our Business. Cory has provided essential services and infrastructure to the people of London since at least the 1870s and we intend to continue for decades to come, while increasing the size and scope of our services.

Delivering these services effectively and efficiently, as our customers and stakeholders expect, requires long-term investment in the Business. The support of investors who share our long-term vision is fundamental to achieving this objective. Under their ownership, the investors have invested further capital into Cory to enhance the resilience of our Riverside Energy from Waste (EfW) facility in Belvedere, Kent, and commissioned a multi-year programme to replace our 52 barges.

We continue to advance our plans to use surplus steam from our EfW facility to heat nearby homes and businesses. Finally, following the granting of a Development Consent Order (DCO), we are developing the Riverside Energy Park (REP). This will help to address the UK's waste treatment capacity gap and renewable energy needs, while doubling the size of our Business. At the same time as making these investments, our strong business performance allowed us to pay £44.0m of dividends to our shareholders in respect of 2019's performance.

Public interest and governance

There is no doubt that public interest in the ownership and operations of companies providing essential services and infrastructure has increased over recent years. I am a firm believer in the benefits of responsible private ownership in the sector and an advocate of strong governance that builds confidence in this ownership model. The Board welcome the updated guidance on company, shareholder and stakeholder relationships and corporate culture set out in the UK Corporate Governance Code. Our corporate governance review on page 48 provides comprehensive details of how we manage and govern Cory in practice.

Sustainable business model

The case for our business model and the energy-from-waste sector has never been stronger. Cory contributes a vital public service that ensures London continues to be a leading global city. The unique way we operate supports the circular economy and improves London's sustainability. Our Materials Recycling Facility in Wandsworth processes recyclates for recycling markets. We relieve congestion and reduce pollution on London's roads by using the Thames to transport waste. The electricity – and, in time, the heat – we generate, powers local homes and businesses. We also believe that efficient incineration of waste is a more responsible process than landfill. In supporting the sustainable reuse of by-products from incineration, we provide much-needed aggregate and construction materials. Environmental responsibility and sustainability has been a priority for many years and I am delighted this was recognised in our Global Real Estate Sustainability Benchmark (GRESB) score. With a score of 72 out of 100, we ranked third in our peer group.

We have continued to focus closely on health, safety, environment and quality management (HSEQ) issues, recruiting additional senior employees in pursuit of our objective of continuous improvement in these areas.

Stakeholder engagement

Under the Companies (Miscellaneous Reporting) Regulations 2018, we are required to make a statement on our compliance with section 172 of the Companies Act 2006. We welcome this enhancement to transparency in reporting as it highlights the importance of all stakeholders to the long-term success of our Business. We consider the interests of our employees, customers, suppliers, regulators and the wider community in all our decision-making. In 2019, we strengthened stakeholder relationships with a range of initiatives designed to improve communication and collaboration. Further details can be found on page 42 of this report.

Outlook

I am excited about the future for Cory. We fully support national and local government initiatives to improve recycling rates and reduce the amount of non-recyclable plastic in the waste stream. Even with these initiatives, we expect to see long-term growth in our core waste market. There is rising interest in our environmental and social performance and as the UK energy mix continues to diversify, we expect this to continue. Through both our existing Business and our investment projects, Cory is well-positioned to make the most of this growing market and the opportunities presented by the broader energy transition.

Finally, I would like to record my thanks to our hard-working employees, who do so much to deliver our critical services to the people of London in these challenging times.

John Barry
Non-executive Chairman

Our markets

MACRO ENVIRONMENT

Net zero UK carbon emissions by 2050

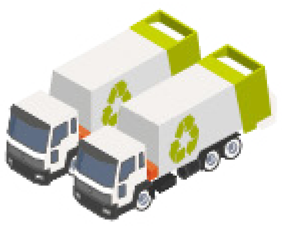
In 2019 Cory saved 148,000 tonnes CO_2e from being released into the atmosphere by diverting residual waste from landfill. Achieving net zero by 2050 is a huge challenge, but we are excited to play our part in helping the UK achieve this goal.

01 IMPACT OF COVID-19

Following the end of the financial year the UK has been affected by the Covid-19 pandemic. Measures to control the spread of Covid-19 in the UK and around the globe have been implemented, which are expected to have profound economic implications.

WHAT THIS MEANS FOR CORY

- The main impact on the waste market has been a significant downturn in commercial and industrial (C&I) waste volumes. This impact is expected to be short term, with volumes expected to rise as the lockdown in London and the wider UK is lifted. Municipal waste volumes have held up at pre-Covid-19 levels and are expected to continue to do so.
- Covid-19 has also brought the environmental impact of air pollution in London into sharper relief. This strengthens Cory's position as a partner of choice due to our river operations reducing truck movements on London's road. In 2019 our Riverside facility operated well within regulated limits, and we are continuing to invest in its operational performance to maintain this.



02 LANDFILL CAPACITY

The UK's landfill capacity is diminishing, especially in London and South East England. Sites are closing and the UK will likely be less able to export waste to Europe in the future.

WHAT THIS MEANS FOR CORY

- 2019 saw the total tonnage of residual waste sent to EfW in the UK exceed the tonnage sent to landfill for the first time.
- Exported residual waste also fell, whilst exports of refuse-derived fuel (RDF) declined by 16 per cent in 2019. Further decline is expected following a tax on waste imports introduced by the Netherlands in December 2019.
- Landfill capacity in London and the South East will be substantially depleted by 2025. The majority of the remaining void will be positioned to the North West, where sites in Buckingham and Milton Keynes account for 45 per cent of the currently consented capacity.
- London and the South East lack the energy-from-waste infrastructure to make up for these shortfalls. Demand for our services will remain strong and there is a clear rationale to build more energy-from-waste infrastructure in London, such as the Riverside Energy Park development. See page 24 for further detail.

03 INCREASING ENERGY DEMAND

In the UK there is an energy production gap against a backdrop of increasing demand.

WHAT THIS MEANS FOR CORY

- Current electricity demand in the UK is around 300TWh per year, which is expected to increase to c550TWh by 2050. Renewable production stands at 170TWh, with a further 380TWh needed, of which 330TWh is unidentified.
- There is a clear need for more baseload zero- and low-carbon energy to be supplied to the electricity grid. Cory provides 66MW of baseload low-carbon energy and plans to add a further 64MW through the Riverside Energy Park development.
- District heat networks can make better use of energy generated from residual waste. Cory is working with the London Borough of Bexley and other local stakeholders to develop a heating network that delivers affordable heat to homes and businesses. See page 33 for further detail.

7.2%

Increase in households in London 2010–18.

04 LONDON RECYCLING TARGETS

The Mayor of London has set a target of 65 per cent recycling by 2030, with an ambitious 50 per cent recycling target for local authority collected waste by 2030. London's household recycling rate was 33.4 per cent in 2019.

WHAT THIS MEANS FOR CORY

"In the face of declining landfill availability and reduced options for waste export, there is a critical need for residual waste treatment infrastructure in London."

Richard Wilkinson
Head of Planning and Development

- Cory receives and sorts c95kt of London's recyclable material every year, c70kt most of which is processed by Cory's Materials Recycling Facility in Wandsworth.
- To achieve the Mayor's recycling target, significant investment in recycling infrastructure is needed from local authorities and businesses, along with development in end markets for recyclable materials. Even with maximum recycling, London still needs to make the most of non-recyclable residual waste.
- Cory plans to invest in further recycling and energy-from-waste infrastructure in London in order to meet this demand.

05 LONDON POPULATION GROWTH

As the population in London continues to grow, so will the volume of recycling and waste generated.

WHAT THIS MEANS FOR CORY

- The number of households in London increased by 7.2 per cent between 2010–18.
- The Office for National Statistics projects households in London will increase by a further 24 per cent by 2041, resulting in a growing volume of recycling and waste. A thriving capital needs new recycling and energy-from-waste infrastructure to manage this.
- Demand for Cory's services is projected to increase significantly in the future. Our use of the Thames to transport material will reduce congestion and road traffic accidents.

c550TWh

Electricity demand in the UK set to rise to 550TWh by 2050.

06 CHANGING CONSUMER BEHAVIOUR

Consumers are now paying more attention to the environmental impact of their purchases and practices.

WHAT THIS MEANS FOR CORY

- Since 2010, average household waste (recycling and non-recycling) in London decreased 1.1 per cent per year.
- Behavioural changes (e.g. transition from newspapers to smartphones/tablets), taxes on material streams (e.g. plastic bags), light-weighting of packaging, changing waste collection methods (e.g. less frequent waste collection, smaller bins) and greater environmental awareness all contributed to the fall in waste.
- While increases in household resource efficiency will offset increases in waste caused by population growth to some degree, according to most forecasts, overall residual waste volumes will continue to grow in the future.

"People want to do the right thing for the environment and are crying out for companies to help them reduce their impact."

Mark Greenwood
Director of Health, Safety, Environment, Quality and Assurance

Our business model

Our purpose

We transform waste to power a greener future, ensuring the UK has a safer, cleaner, and more sustainable way of managing its recyclable and non-recyclable waste.

KEY RELATIONSHIPS

See our Section 172 statement on page 42

EMPLOYEES

320 employees

We are proud of our high retention rates.

LOCAL COMMUNITIES

5,950

people visit our Riverside EfW facility and Materials Recycling Facility each year, increasing awareness of sustainable solutions to waste.

INVESTORS

72/100

Ranking third in our peer group in the 2019 GRESB Infrastructure Asset performance assessment demonstrates strong ESG credentials to our investors.

COMMERCE AND INDUSTRY

321kt

Of waste is generated by businesses, we treat it responsibly to recover energy, building materials, and other useful products.

PARTNERS

18kt of air pollution control residue (APCr) treated

Working with our partner OCO, we recover APCr from the incineration process and convert it into breeze blocks, capturing carbon in the process.

ENVIRONMENT

742kt of waste diverted from landfill

By minimising the landfilling of waste, we help reduce harmful greenhouse gases and generate reliable, baseload, low-carbon electricity.

LOCAL COUNCILS

7 London boroughs

We responsibly and sustainably manage waste from right across the capital.

WHAT WE DO

Using the 'green highway' of the River Thames for transport, we recover partially renewable energy and aggregates from waste otherwise destined for landfill or export.

Cory's Materials Recycling Facility and Household Waste and Recycling Centres give recyclable and reusable materials a second life.

CONTRIBUTION TO THE ECONOMY

We are part of a sustainable solution to managing London's waste. By focusing on recycling and resource recovery, we keep materials in use for as long as possible and help grow the circular economy. We also create jobs and have a strong heritage, with some families having worked with us for at least three generations.

RECYCLING

One way we manage resources is by sorting and processing recyclable material. We agree that all should be committed to reusing and recycling as much waste as possible. However, we also recognise the need for more sustainable, local solutions to address the non-recyclable waste that London continues to produce.

LONDON'S CIRCULAR ECONOMY

RESOURCE RECOVERY

We turn waste into energy and building materials for construction projects, reducing the need for quarrying virgin materials.

ENERGY RECOVERY

Through responsible incineration, we produce low-carbon energy which is supplied to the UK's national grid, providing an efficient and resourceful way of utilising London's non-recyclable waste. In the future, we will also use this energy to provide a low-carbon clean heating supply for homes and businesses near our facility.

OUR UNIQUE APPROACH

OUR GREEN HIGHWAY

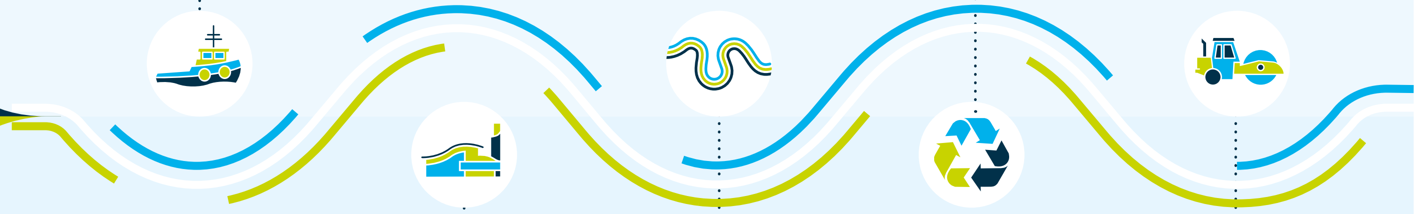
We use the River Thames to transport a large proportion of London's waste to our EfW facility, reducing road traffic for a safer, greener city.

OUR PEOPLE

We directly employ over 300 people and support many more jobs across our local and global supply chains. Without their crucial contributions, our Business cannot succeed. Our work environment cares for and respects all people and provides the development and skills training they need to thrive.

OUR RECYCLING FACILITIES

Our Materials Recycling Facility is one of the UK's largest. We also run household waste and recycling centres for the Western Riverside Waste Authority and London Borough of Tower Hamlets, providing those communities with a safe way to dispose of unwanted goods.



INVESTMENT IN MODERN FACILITIES

The Riverside EfW facility is recognised by the Environment Agency as an efficient facility through its R1 status designation. It operates with a best-in-class recovery rate in extracting energy from non-recyclable waste, with emissions well below regulated limits. We are continually looking for ways to invest further and make our operations even more efficient.

OUR RIVERSIDE ENERGY FROM WASTE FACILITY

We ensure no waste is wasted. Our business partners recycle the metals and turn by-products from the incineration process, incinerator bottom ash and APCr into aggregate and construction materials.

SUSTAINABLE PARTNERSHIPS

We are committed advocates for improving waste and resource management in the UK. Open, honest dialogue and meaningful partnerships with our stakeholders and the communities in which we operate are crucial to these goals.

CEO statement
Performance overview

2019 was one of our best years for operational performance. We processed around 742,000 tonnes of residual waste and sent over 69,000 tonnes for recycling – one of our highest annual totals despite some one-off operational challenges.

We have positioned Cory as one of the leading environmental waste businesses in the UK. We have continued to make investments in our river infrastructure, to further strengthen our unique selling point.

2020 has challenged the Business as we deal with the economic and social impact of Covid-19. However, Covid-19 has also demonstrated how robust our market is – our communities have continued to produce waste which needs to be processed safely and efficiently. Covid-19 has also highlighted the quality and commitment of our team. They have never faltered. Indeed, they have stepped up to deliver our critical waste service in spite of the fear and difficulties presented by the pandemic.

Thank you to everyone at Cory for your hard work and dedication in 2019 and for your continued commitment through the first half of 2020.

Performance overview

My key priorities in 2019 were:
- Ensuring we operate safely within our permits and develop plans to keep reducing the impact of waste on the environment;
- The health and safety of our people;
- The long-term operational, environmental and financial resilience of the Business.

These remain my priorities for 2020.

The key highlights in 2019:
- We received a score 72 out of 100 (our peer average was 52) in our first year of GRESB assessment. This is the leading environmental, social and governance (ESG) benchmark for real estate and infrastructure investments across the world. GRESB's data and benchmarks cover $4.5tn in real asset value and are used by more than 100 institutional investors, leading to a more sustainable real asset and infrastructure industry.
- We committed a further £27.0m for our river fleet as part of an ongoing investment programme to continue to focus the Business on river transport, taking vehicles off the road making London safer and cleaner.
- The Group performed well during 2019, increasing underlying revenues by 12 per cent to £138.1m and underlying EBITDA by 9 per cent to £66.8m. Revenues were supported by a four per cent increase in average waste gate fees. 2019 marked our first appearance in The Sunday Times 250 Top Track Companies listing for our financial performance.
- We laid down strong foundations for the Business having:
  - submitted planning for the Riverside Energy Park at Belvedere. The Secretary of State awarded a Development Consent Order for this project in April 2020;
  - submitted an application for Heat Network Investment Partnership (HNIP) funding for a development in Thamesmead, which will be one of the largest heat networks in the UK; and
  - received outline planning for a data centre powered by our facility at Belvedere. We have since received detailed planning.

Outlook remains very positive for the long term

The UK lacks sufficient energy-from-waste infrastructure, forcing it to use landfill and export residual waste. The need is particularly acute in our core market of London and South East England, where independent forecasts predict new infrastructure will be needed to deal with c3m tonnes of waste. The pressure on London's infrastructure will only increase as landfill sites close over the next five years and exporting waste becomes uneconomic and politically unacceptable.

Reducing our environmental impact is a business-critical requirement and our investments will be aimed at improving air quality and reducing greenhouse gases so we become a partner of choice. Cory is the only waste business – and one of the very few businesses of any kind – harnessing the natural power of the Thames to reduce road traffic, drive down emissions and make London safer and cleaner.

We are investing in options to supply heat to a network for up to 21,000 homes in Thamesmead and exploring cleaner and more efficient fuel options for our tugs, vehicles and EfW facility. The small things really do matter and we are reviewing every part of the Business to find ways of reducing emissions.

We are well-positioned for a successful future. Our success, however, is dependent upon skilled and committed people. We have been challenged by Covid-19 but everyone pulled together, with a single purpose: to ensure London's waste service was not interrupted. We have a resilient market, good foundations and very good people. I am proud to serve this Business.

Dougie Sutherland
Chief Executive Officer

OUR STRATEGIC PRIORITIES

Like any successful business, we prioritise. Dive into our five key areas of focus and discover the progress we're making.

01
Resource management and recovery
See page 14

02
Our people
See page 18

03
Powering local communities
See page 22

04
Business integrity
See page 26

05
Advocacy and partnerships
See page 30

CEO statement – continued

LOOKING AHEAD

The UK's population will continue to grow. This means more consumption and, unfortunately, more waste. We are committed to finding ways to manage more of this waste in a safer, cleaner, and more sustainable way.

REACHING NET ZERO

The UK has committed to net zero carbon by 2050. To achieve this the UK Committee on Climate Change has stated that recycling rates must rapidly rise, biodegradable waste should be banned from landfill by 2025 and there should be zero avoidable waste by 2050.

We reduce emissions by diverting non-recyclable waste from landfill.

For every tonne of waste processed at Riverside, the net carbon benefit compared to disposal at landfill is c200kg CO_2e. Operating as a combined heat and power plant (CHP) roughly halves carbon intensity of processing each tonne of waste.

The development of the proposed Riverside Energy Park will contribute further.

See page 24

However, we recognise energy-from-waste facilities produce potentially harmful emissions. That is why we continue to invest in best-in-class technology to make sure our emissions remain among the UK's lowest. We are 100 per cent compliant with our permits, with all emissions data available on our website. We are designing our proposed Riverside Energy Park to be the lowest emitting facility in the UK.

We also provide funding to the London Boroughs of Bexley and Barking & Dagenham so that the Centre for Environment and Health at King's College London can independently monitor air quality around Riverside. Their 2018 study confirmed that UK air quality objectives were met at all eight monitoring locations.

Investing in a fleet of tugs and barges to transport waste by river, we have taken 100,000 truck movements off the road each year, making London a cleaner and safer place to live. We are investigating the use of cleaner fuels in our tugs and self-propelled barges when we replace the current fleet and when sourcing new tugs and barges for the proposed Riverside Energy Park development.

The scope 1 emissions from our 2019 operations were 755,991 tonnes CO_2e. Approximately 99 per cent was emitted by waste processed at Riverside; of these 53.09% (393,676 tonnes CO_2e) were biogenic emissions, and 46.91% (347,850 tonnes CO_2e) were fossil carbon. For every tonne of waste we divert from landfill we save around 200kg of CO_2. For 2019 this equates to a saving of 148,000 tonnes of CO_2e. In 2019 Cory procured 100% renewable electricity across the whole of the Group.

In 2020 we will be developing a roadmap to meet our vision of being a net zero business by 2050.

DELIVERING AGAINST THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

The 2030 Agenda for Sustainable Development, adopted by all United Nations member states in 2015, provides a shared blueprint for future peace and prosperity. At its heart are 17 Sustainable Development Goals (SDGs) and an urgent call to action for all countries to form a global partnership. Ending poverty and other deprivations by improving health and education, reducing inequality, and fostering economic growth must go hand-in-hand with tackling climate change and protecting our oceans and forests.

Alignment of our strategy to the SDGs

The 2030 agenda provides a common language to help focus resources and measure the impact of our work. In 2018, we considered each SDG and identified nine where we can make a material impact. Our aim for 2020 and beyond is to advance and achieve our SDG ambitions for our nine chosen goals.

IDENTIFYING WHAT'S IMPORTANT

In late 2019/early 2020, we undertook a sustainability materiality assessment. The materiality assessment not only determined the most pressing issues for Cory's long-term success but uncovered what matters most to our stakeholders.

We sent a detailed online survey to our employees, shareholders, lenders, customers, suppliers and other partners, and received around 100 responses. We also conducted an employee focus group and interviewed key stakeholders.

This process identified the 15 material issues shown in the matrix below. Using the outcomes of this assessment, we will continue to develop a clear, strategic approach to sustainability that underpins our core business operations. For a full report on the materiality outcomes visit www.coryenergy.com/reports-documents/

OUR PEOPLE, CULTURE AND VALUES.

Following a Company-wide consultation with employees in 2018, we established our three core values. These are the principles that motivate everything we do.

THEY ARE: CARE AND RESPECT; ONE TEAM; AND SUSTAINABILITY.

CARE AND RESPECT

We actively look for ways to reduce harm. We are mindful of others and speak up for positive change.

ONE TEAM

We encourage and inspire each other to be the best we can, work collaboratively, and engage with different ideas.

SUSTAINABILITY

We consider our impact on the environment, promote positive dialogue with our stakeholders and operate our Business with integrity.

01 Recovering energy from waste
02 Recycling rates
03 Innovation for project delivery
04 Health, safety and wellbeing
05 Energy use and fuel consumption
06 Labour standards
07 Circular economy
08 Community investment and engagement
09 Use of the River Thames
10 Waste treatment and disposal
11 Climate change
12 Emissions and air quality
13 Good governance
14 Employee engagement and career development
15 Biodiversity and habitat protection

PRIORITY 01

RESOURCE MANAGEMENT AND RECOVERY

Our responsible waste and resource management boosts sustainable growth and the circular economy. We also use the River Thames to take freight off the roads, making London safer and greener.

Our sustainable business strategy

EXPERTLY MANAGING RESOURCES ACROSS LONDON

"We continue to invest in best-in-class technology and assets."

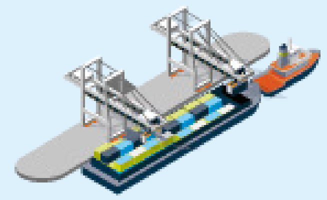
Fran Comerford-Cole
Director of Logistics

We are very proud of what we achieved in 2019. We saved thousands of tonnes of waste from landfill, transforming this raw material into partially renewable electricity and vital aggregate for roads and cinder blocks for construction work. Sorting vast quantities of plastic for onwards recycling, we also played our part in supporting the circular economy and helped clean up the UK's waste stream. But we will go further in 2020, investing heavily in our Riverside EfW facility and Thames barge fleet.

The two feedwater tanks at Riverside have a capacity of $150m^3$ each and an operating level of $80m^3$.

This is equivalent to 320 and 176 bath-fulls respectively.

WHAT WE HAVE ACHIEVED



WASTE MANAGEMENT INFRASTRUCTURE

New Combustion Control System (CCS+) technology at Riverside boosted processing capability and helps us to maximise availability of the plant.

DIVERTING WASTE FROM LANDFILL

This year we processed 741,500 tonnes of non-recyclable waste, using it to generate electricity, and sorted 69,406 tonnes of recyclable material for onwards recycling.

TURNING BY-PRODUCTS INTO USEFUL MATERIALS

We sent 170,300 tonnes of incinerator bottom ash for reprocessing into construction aggregates, and 18,400 tonnes of APCr, with 50 per cent turned into cinder blocks for construction.

FUTURE PRIORITIES

We are committed to widespread investment in our people, processes, and infrastructure to make 2020 our best year yet.

6

We are investing in six new barges to make the most of the 'green highway' of the Thames.

PLANNING FOR RIVERSIDE ENERGY PARK

Obtain a DCO for the REP development, to increase waste treatment capacity by up to 805,000 tonnes.

805kt

Our sustainable business strategy – continued

We make it easy for the public to recycle unwanted materials. Our two centres at Wandsworth and Poplar are safe and clean with 99 per cent customer satisfaction ratings. What can't be recycled is burned in our Riverside EfW facility, generating electricity. Both the ash and gas by-products are then treated and turned into construction materials.

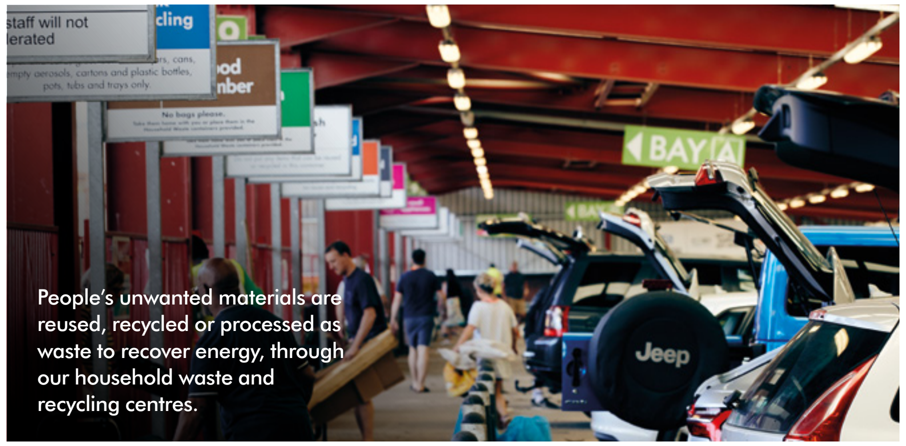
Helping the public to reuse and recycle

Our Household Waste and Recycling Centres in Wandsworth and Poplar, operated on behalf of Western Riverside Waste Authority and the London Borough of Tower Hamlets, enable people to deliver unwanted materials which we reuse, recycle or process as waste, recovering energy and by-product materials.

Both sites were developed in accordance with guidance from the Health and Safety Executive and Waste Industry Safety and Health (WISH). They are designed to ensure public safety and customer experience and encourage maximum separation of material for reuse and recycling.

In 2019, the first customer satisfaction survey at Poplar found that most regular visitors noticed a cleaner site and 99 per cent of respondents considered our employees friendly and helpful.

At Wandsworth, 99 per cent were satisfied with the level of cleanliness, 98 per cent were satisfied with the health and safety on site, and 99 per cent of those assisted by an employee found them to be knowledgeable.



People's unwanted materials are reused, recycled or processed as waste to recover energy, through our household waste and recycling centres.

Giving waste a new life

In 2019, our Materials Recycling Facility in Wandsworth processed 68,766 tonnes of material, sending 59,097 tonnes of paper, cardboard, glass, plastic and metal to be reprocessed into recycled materials.

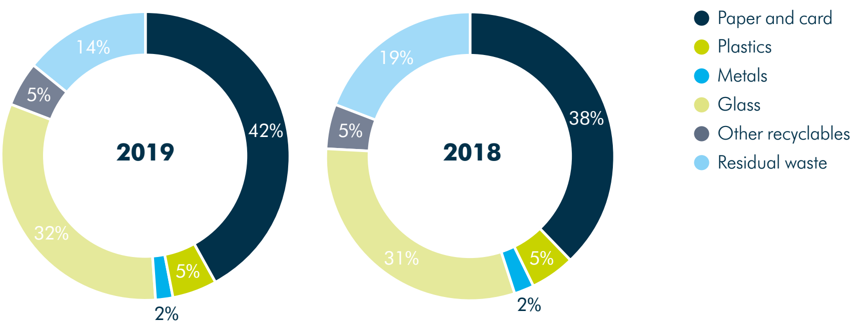
It was a difficult year for recycling, particularly for cardboard, newspapers, magazines and mixed paper. We do not send any recycling outside of Europe, but restrictions in East Asian markets led to an oversupply, making it difficult to move these materials in Q4 of 2019.

2020 will be equally challenging. We are working closely with local authorities to improve awareness of how and what to recycle, so we can enhance the quality of material that residents of the boroughs we service put into their recycling. That will give us the best chance of sending the materials we receive for recycling in an oversupplied market.

Materials Recycling facility

Recyclate produced	2019 000t	2018 000t
Paper and card	29.1	26.4
Plastics	3.5	3.2
Metals	1.5	1.6
Glass	21.9	21.5
Other recyclables	3.1	3.5
Residual waste	9.7	13.0
Co-mingled recyclables delivered	68.8	69.2

Recyclate processed



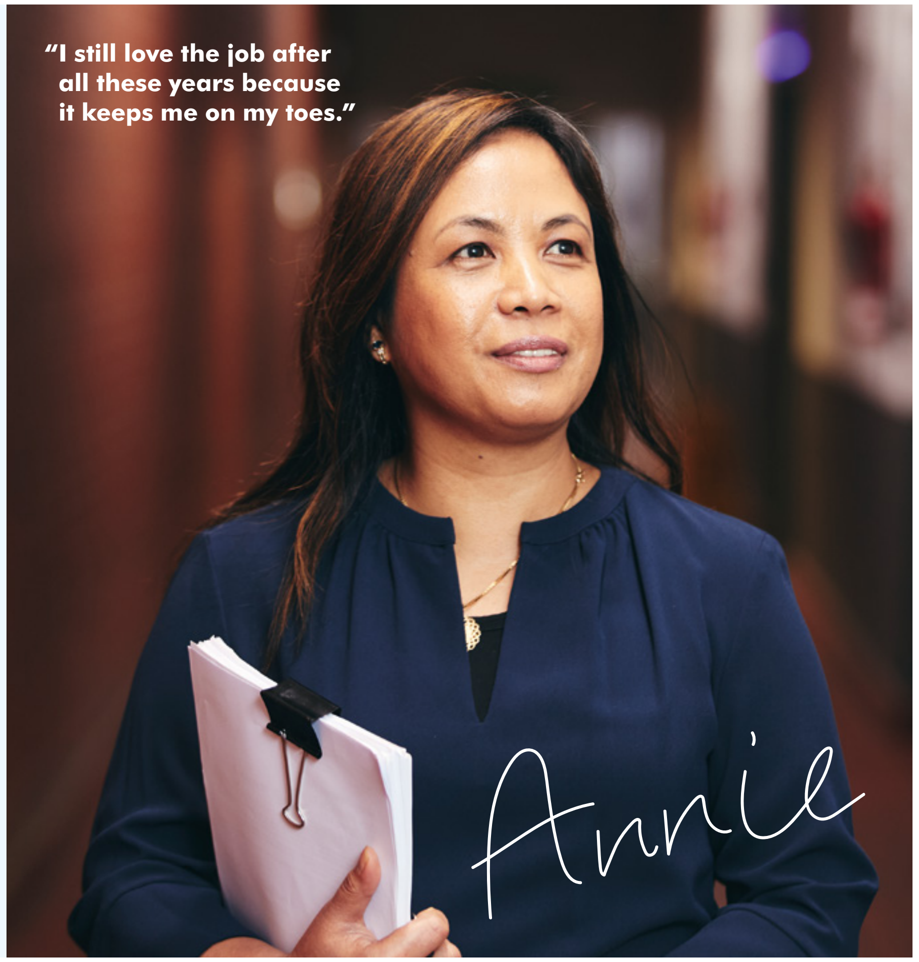
RIVERSIDE STORIES

Annie Santos, Business Services Manager

I am responsible for the management and delivery of services to our clients, including the Western Riverside Waste Authority, the City of London, the London Borough of Tower Hamlets and C&I customers. Having an intrinsic knowledge of the specific requirements and business model of each adds value to our customers and helps retention. I also oversee our recycling business, including off take, research into new markets, technologies and innovation.

Adapting under pressure is crucial. Recently, for example, we stepped in to assist vehicles stranded in Deptford. Working with the operations team, we managed nearly 1,500 tonnes of waste into the transfer station in just four-and-a-half days, whilst simultaneously dealing with a broken crane!

I also maintain adherence to the Code of Practice and Duty of Care, and ensure Company policies, procedures and controls are met, whatever we do.



Supporting industry and the circular economy

9,200 tonnes

of Air Pollution Control Residue from the energy-from-waste process was turned into construction products in 2019

170,300 tonnes

of Incinerator Bottom Ash captured from the process and turned into roading aggregate.

PRIORITY 1
UN SDGs SUPPORTED

Capturing carbon for sustainable construction

Air pollution control residue, a fine powder that remains following the cleaning of gases from our EfW facility, is captured, treated and passed on to third party processors. In 2019, over 9,200 tonnes were processed by our partner OCO (formerly Carbon8), who treated it with carbon to turn it into sustainable construction products such as bricks, blocks, tiles and slabs. More CO_2 is permanently captured during the process than used in its manufacture. Every thousand tonnes of this aggregate that is produced captures the same amount of carbon dioxide as planting 4,000 trees every year.

You can read more about this process at: https://oco.co.uk/

PRIORITY 02

OUR PEOPLE

We employ over 300 people and support many more jobs across our local and global supply chains. Attracting and retaining talent is vital for long-term growth, success and sustainability. We provide a caring and respectful environment and the training and skills our people need to thrive.

Our sustainable business strategy

INVESTING IN OUR PEOPLE AT EVERY LEVEL

"We reduced our gender pay gap in 2019."

Toby Warren
Director of Human Resources

Our success depends on keeping our people happy and motivated. In 2019, we reduced the gender pay gap and invested in the next generation with a new residential apprenticeship scheme. In 2020 we will enhance employee benefit and support packages, focusing on physical, mental, and financial wellbeing. We will also improve maternity, paternity and other leave policies, and launch diversity and inclusion initiatives to foster inclusivity.

69,000 tonnes of materials were separated out for recycling in 2019 on the picking line at our Materials Recycling Facility at the Western Riverside Transfer Station.

This included over 3,800 tonnes of plastic.

WHAT WE HAVE ACHIEVED

RETAINING TOP TALENT

Our caring and respectful environment ensured just 3 per cent employee turnover in 2019, proving we can attract and retain the best talent.

CLOSING THE GAP

We reduced the gender pay gap to 9.5 per cent in 2019 – nearly half the national median gender pay gap of 17.9 per cent.

FUTURE PRIORITIES

Going forward, we will continue to invest in our people to ensure they can achieve their potential.

FAMILY POLICIES

With enhanced maternity and paternity leave/pay policies, we will support families to have a better work/life balance.

DIVERSITY AND INCLUSION

We will launch new diversity and inclusion initiatives to create a more inclusive environment.

WELLBEING

We will enhance benefit and support packages to improve our people's physical, mental, and financial wellbeing.

Our sustainable business strategy – continued

Maximising everyone's potential and abilities is the shared responsibility of employees, managers and our dedicated Learning and Development Team. The excellent progression and retention of employees we enjoy across the Group is in no small part due to the development support we provide.

Commitment to professional development

We believe that developing staff at all levels is essential to our continued success. This can range from ensuring people have the requisite functional literacy and numerical skills to perform their roles, to specific work-related training and the sponsoring of senior employees on MBAs.

Maximising everyone's potential and abilities is the shared responsibility of employees, managers and our dedicated Learning and Development Team. It is also embedded in the way the Company is run. Learning and development is central to a number of the Company's fundamental systems and essential operating processes, not least our succession plan. It is also fundamental to our Competency Management System (CMS). The CMS is an externally audited system in which the Company demonstrates that it is competent to run its operational sites. It provides a framework for identifying the skills and competencies required for key employees, then measures the effectiveness of their deployment.

The range of learning and development options offered are wide enough, and flexible enough, to meet a wide range of employee needs. Training is delivered on the job, online, or in a classroom. The excellent progression and retention of employees is in no small part due to the learning and development support we provide.

Our commitment to our people

Cory is focused on enhancing employees' health and wellbeing and adopting the model set out by the Chartered Institute of Personnel and Development (CIPD).

In 2019, we committed to the following priorities, which will continue to be a focus through 2020:

- harmonising and improving occupational health for all employees, and treating mental health equally with physical health;
- improving employee engagement, and providing a leadership course for aspiring senior managers;
- embedding our values throughout the Company, establishing a new community fund to support projects in line with our vision and values, and developing a diversity and inclusion programme; and
- centralising training to ensure maximum return on investment and training reach, linking appraisals directly to our values, and broadening our CMS.

RIVERSIDE STORIES

Steve Taynton, Engineering Manager

I was employed as a Mechanical Technician by Cory in 2010, joining a team of four to carry out day-to-day maintenance and oversee mechanical contractors on site.

Six months in, I approached the engineering manager and plant manager about doing a part-time degree. With their full support, I studied for four years on a day-release basis. In 2015, I was awarded a first-class honours BEng in Mechanical Engineering from Greenwich University.

After promotions in 2014 and in 2017, I became a lead engineer. Now I've come full circle, taking over as Engineering Manager in 2019 and heading up the team I joined when I started.

RIVERSIDE STORIES

Ilona Cleary, Crane Driver

I work on the jetty at the Western Riverside Transfer Station, driving the container crane and operating the compactor.

I began seven years ago on the picking line before training to operate the grabber crane in the Materials Recycling Facility. After two years, a role operating the big container crane was advertised. I applied and Cory employed and trained me for the role. They have always offered good opportunities followed by the right training.

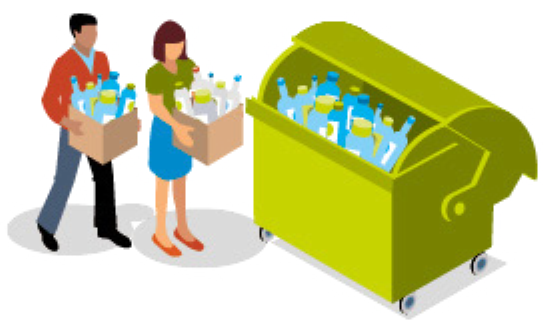
I am happy to go to work every day and I am especially proud to be the first woman to work as a crane driver at Cory. I was daunted at first but I have been accepted by my colleagues as part of the team.

Celebrating our people

In March 2019, we held an inaugural lunch for over 30 employees who had been with the Company for 20 or more years. They had almost 1,000 years of Cory experience between them, and the longest-serving employee celebrated their 56th anniversary with the Company.

Attended by the Executive Team and the Chair, the event formally recognised the remarkable dedication and hard work of our people.

All employees received a certificate and gift from the Company. Eight employees with more than 40 years' service were each given the honour of naming one of the new barges due to enter service in 2020–21.



320
Employees

10
Apprentices

9 years
Average length of service

PRIORITY 2
UN SDGs SUPPORTED

PRIORITY 03

POWERING LOCAL COMMUNITIES

Our Riverside EfW facility generates reliable, low-carbon baseload electricity, helping the UK to manage its waste in the most sustainable way. It can also distribute energy in the form of heat to district heating schemes.

Our sustainable business strategy

MAKING LIFE BETTER FOR LONDONERS

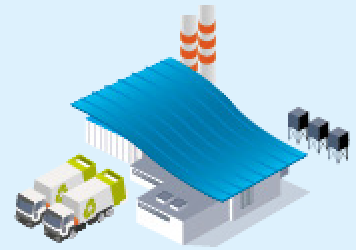
"In 2020 we aim to generate 509GWh of low-carbon electricity from London's waste."

David Crawford
Plant Manager

In 2019 we generated 304GWh of electricity – enough for hundreds of millions of laundry loads and billions of cups of tea. We also completed the pre-application stage of the Heat Network Infrastructure Partnership. This paves the way for a heat network scheme at Thamesmead, where we could potentially heat up to 10,500 homes from each of the Riverside and REP energy-from-waste facilities. 2020 will see us continue to power homes and businesses across the UK.

The central control room at Riverside in Belvedere is manned 24 hours a day, 365 days per year.

WHAT WE HAVE ACHIEVED



WASTE INTO POWER

Our Riverside facility generated 304 GWh of electricity from waste.

FUTURE PRIORITIES

509 GWh electricity

We aim to produce enough energy at Riverside in 2020 to power the equivalent of 156,000 homes.

HEATING HOMES

Obtaining grant funding from the HNIP will bring us closer to providing heat to homes and businesses in Thamesmead.

STORING ENERGY

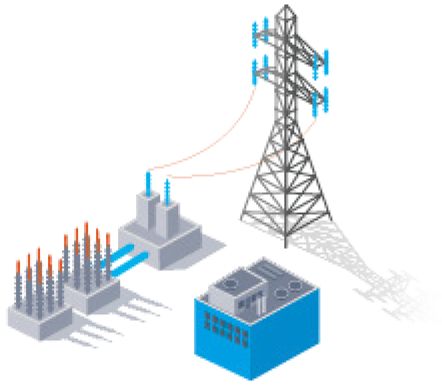
New batteries at Riverside could help ease pressure on the National Grid by storing electricity, and providing it at times of peak demand.

RIVERSIDE ENERGY PARK DEVELOPMENT

Obtaining a DCO from the Secretary of State for Business, Energy and Industrial Strategy enables us to begin constructing the Riverside Energy Park, turning more of the UK's waste into low-carbon energy.

Our sustainable business strategy – continued

Our planned Riverside Energy Park will turn 805,000 tonnes of non-recyclable waste into enough electricity to power 140,000 homes each year. It will also provide heat for up to 10,500 homes.



Low-carbon heat for homes

To reach net zero carbon, the UK needs to decarbonise how homes are heated. District heating networks receiving energy from CHP facilities are one solution.

Peabody, the London Boroughs of Bexley and Greenwich, the Greater London Authority and Transport for London are investing over £1bn to regenerate Thamesmead. 20,000 homes, new leisure, cultural and commercial facilities, and thousands of jobs will require a heat solution aligned with the UK's net zero commitments.

Working with the London Borough of Bexley and Peabody, we have explored the feasibility of developing a district heat network (DHN) in Bexley and Greenwich to harness the heat produced by Riverside.

The Riverside EfW facility could provide heat for up to 10,500 homes, whilst the Riverside Energy Park could heat a further 10,500 homes.

In 2019, we completed pre-application to the Department for Business, Energy & Industrial Strategy's HNIP, which provides loan and grant funding for large scale heat networks. In 2020, we aim to win scheme funding to help advance the project, with any funding shortfall made up by other stakeholders, including Cory. We have recently partnered with Vattenfall, the largest operator of district heating networks in Western Europe, to help us achieve our aims.

Heating London's homes in this way could be vital to achieving the UK's and Cory's future net zero carbon targets. We could deliver an overall CO_2e saving of 3,970 tonnes per annum against a counterfactual case of a new Air-Source Heat Pump plant; or 14,900 tonnes per annum versus a gas-fired CHP-led communal heating scheme.

PRIORITY 3
UN SDGs SUPPORTED

Heating homes

21,000

Homes to be heated by our Riverside and REP EfW facilities combined if the Riverside Heat Network is developed.

Low-carbon electricity

96MW

of extra electricity generation if the Riverside Energy Park is developed.

Anaerobic digestion

40,000t

Food waste per year processed for energy generation if the Riverside Energy Park is developed.

REP development

In April 2020, we received consent from the Secretary of State for Business for a DCO to develop the REP. The process is yet to go through its final stages but Cory is committed to developing the site.

A lack of capacity means waste management and energy recovery regeneration needs in London and the South East are not being met, with millions of tonnes of waste having to be landfilled or exported.

The UK desperately needs more reliable, baseload, low-carbon electricity to transition to renewable energy. The government's National Policy Statement on Energy (NPS-EN1) notes that 'the ability of… EfW to deliver predictable, controllable electricity is increasingly important in ensuring the security of UK supplies.'

Our Energy Park will comprise:
- an EfW facility to turn up to 805,000 tonnes of non-recyclable waste into enough electricity to power 140,000 homes each year;
- battery storage to preserve and release electricity when it is needed most;
- anaerobic digestion for up to 40,000 tonnes of food and green waste per year, generating compressed natural gas, electricity, and fertiliser;
- a solar photovoltaic installation to increase renewable energy generated which can also be used to offset power required to run the facility; and
- CHP infrastructure to heat local homes and businesses.

By-products will be processed by our partners into useful materials for the construction and transport industries.

Our aim is that the Riverside Energy Park will be fully operational by 2025.

Updates on our proposed development can be found at https://riversideenergypark.com/

Artists impression of REP and Riverside next to each other

PRIORITY 04

BUSINESS INTEGRITY

Reputation is everything. Cory is committed to good governance and doing the right thing. We are legally compliant in all we do and carefully consider our impact on the environment and the community.

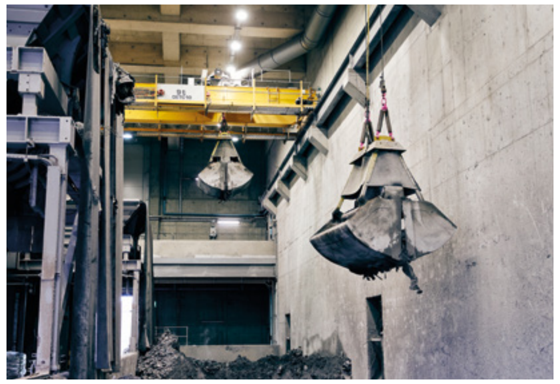
Our sustainable business strategy

DOING THE RIGHT THING

> **"We are committed to tackling the risk of modern slavery and human trafficking in our supply chain, and audit our key suppliers."**

Tess Bridgman
General Counsel and Company Secretary

We do business honestly and ethically and take our integrity very seriously. In 2019, we introduced new policies on sustainable procurement and tax evasion and helped raise employees' awareness of the Bribery Act 2010. We will continue to do business safely, ethically and honestly, in line with our values.



170,000 tonnes of ash was converted into aggregate for the construction of roads in 2019.

WHAT WE HAVE ACHIEVED

PRINCIPLED PROCUREMENT

We committed to a safe, ethical, and cost-effective supply chain with a new Sustainable Procurement Policy.

HONEST BUSINESS

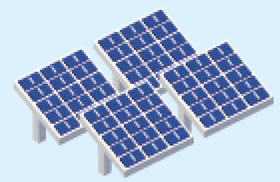
By implementing zero-tolerance policies on tax evasion, bribery and corruption, and modern slavery, we uphold the highest business standards.

FUTURE PRIORITIES

In 2020, we will continue to do business ethically and honestly in line with our values.

PROTECTING PEOPLE

New technology will improve safety and hazard reporting and reduce harm to our people.

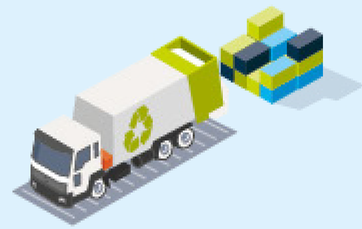


EMISSIONS CONTROL

We lead by example by being transparent about our emissions and working to reduce emissions from our business operations.

RESPONSIBLE CONTRACTING

We will continue to ensure that all our customers and suppliers are treated fairly.



Our sustainable business strategy – continued

We obtained Cyber Essentials accreditation. With these controls, we have tightened security and protected Cory against common cyber-attacks. The certification proves we are committed to protecting our own data and that of our customers and clients.

Cyber secure

In December 2019, we obtained Cyber Essentials accreditation, a government assurance scheme operated by the National Cyber Security Centre.

The accreditation is a prerequisite for suppliers bidding on UK government contracts involving sensitive and/or personal information. It covers:

1. Robust internet connections protected by firewalls and gateways
2. Secure configuration of devices and software
3. Access control to data and services
4. Patch management to ensure devices and software are kept up to date
5. Protection from viruses, ransomware, phishing and other malware

With these controls, we have tightened security and protected Cory against common cyber-attacks. Cyber Essentials certification proves we are committed to protecting our own data and that of our customers and clients.

The control room at our Western Riverside Transfer Station manages our ten compaction units. These compact waste into containers ready for river transportation. With correct compaction, each container holds on average 13.4 tonnes of waste.

Laptops for homeless

Cory donates computers to the Laptops for Homeless charity scheme. This helps disadvantaged and vulnerable people in London while also reducing electrical waste.

Following secure destruction of all Cory data, the decommissioned devices are set up for homeless people using open source software. The scheme provides information technology training so that homeless and marginalised individuals can communicate with friends and relatives, search for employment and reconnect with society.

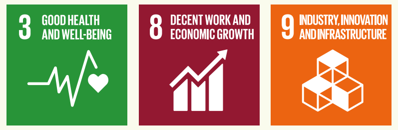
Combating modern slavery

We annually review and strengthen our commitment to keeping our business and supply chains free from modern slavery and human trafficking.

In 2019, we audited three of our key suppliers operating in 'high-risk' sectors that have, or are perceived to have, a high percentage of foreign, low-paid, and/or low-skilled workers.

The suppliers each had a modern slavery statement and strong leadership committed to identifying and eliminating modern slavery in their business and supply chains. The audits were mutually beneficial, yielding actionable insights into the risks, concerns and practices of each company and sector. We will continue auditing suppliers each year to encourage transparency and combat modern slavery and human trafficking.

PRIORITY 4
UN SDGs SUPPORTED



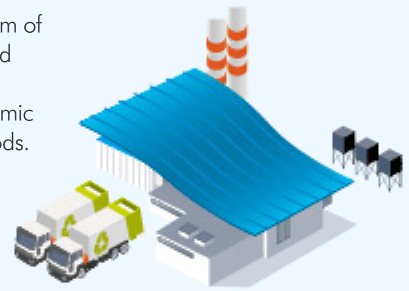
RIVERSIDE STORIES

Gordon Jack, Process Engineer

I have several roles at Cory's Riverside EfW facility. I am responsible for protecting the boiler from scale hardness and leaks that could damage the turbine. I also assess hazardous residues and ensure their proper disposal. I manage the gatehouse employees and, during plant shutdown periods, act as the health and safety lead. My daily walk-downs involve checking contractor work areas and auditing paperwork and working practices.

I report to the Environment Agency each month to confirm our emissions and waste returns, and also share this data on Cory's website.

I work with a great team of people at Riverside and particularly enjoy the different working dynamic during shutdown periods.



A focus on safety

2019 saw three fewer lost time incidents (LTI) than 2018. However, one was an extremely serious fall from height, resulting in a long-term absence. We have redoubled efforts to identify risk and have taken action to reduce the likelihood of serious injury in the future.

Health and safety KPIs	2019	2018
Number of LTIs	4	7
Number of incidents reportable under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 (RIDDOR)	3	3

In 2020, we will continue to monitor health and safety and will introduce new indicators to actively promote a culture in which all employees are engaged and empowered to work safely. We will monitor reports of hazards and near-misses to increase participation in critical safety processes.

PRIORITY 05

ADVOCACY AND PARTNERSHIPS

We are vocal partners and advocates, promoting policy that improves responsible resource management in the UK. Raising awareness of the waste treatment capacity gap, we champion energy-from-waste as the efficient, environmentally sustainable alternative to landfill and export. We support the waste hierarchy and endorse river transport to reduce road traffic and improve air quality.

Our sustainable business strategy

BEING AN ACTIVE CORPORATE CITIZEN

"Our £25,000 Community Fund will receive applications in 2020."

Dougie Sutherland
CEO

Educating local communities about the circular economy, we also encourage science, technology, engineering and maths (STEM) skills, giving young people opportunities to help address future waste, resource and environmental challenges.

Inviting visitors to our sites, and our support for the Bexley educational passport scheme, raises awareness of the circular economy and the importance of responsible waste management. This year we will continue to work directly with local communities to close skills gaps and encourage students to be future-ready by promoting STEM subjects in schools.

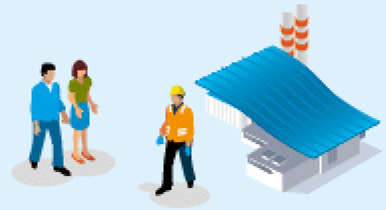
Between 60 to 90 containers are transferred from our jetty at Western Riverside Transfer Station onto barges to be taken to RRRL each day.

On average one container holds 13.4 tonnes of waste, this amounts to 800 to 1,200 tonnes of waste being transported on the River Thames each day.

WHAT WE HAVE ACHIEVED

SUPPORTING EDUCATION

Working with the London Borough of Bexley, we supported an 'educational passport scheme' to support local college students in their education through work experience and promote knowledge of the circular economy.



RAISING AWARENESS

5,950 people, including school children, members of the public, and local MPs, visited our EfW facility and Materials Recycling Facility combined, raising awareness of the importance of responsible waste management.

5,950
visitors

FUTURE PRIORITIES

We will increase advocacy in 2020 and strengthen our partnerships.

SUPPORTING STEM

We will promote the importance of STEM subjects to local community schools.

INVESTING IN COMMUNITIES

A new £25,000 fund for community groups will receive applications in 2020.

Our sustainable business strategy – continued

We have influence and we use it. We're active members of trade bodies and associations. We support community events. We advocate for the circular economy. We also invest in apprenticeship and education schemes, working directly with local communities to close skills gaps and promote STEM subjects in schools so students are future-ready.

Active in the industry

Members of our Executive Leadership Team (ELT) are actively involved in advocacy and trade associations, including:

- Confederation of British Industry (CBI) – Infrastructure Board; Resources and Waste Working Group;
- Environmental Services Association – EA Board; Energy from Waste Working Group; Dry Recyclables Working Group; Finance Working Group; Communications Working Group;
- Women on the Water;
- Thames Skills Academy; and
- Policy Connect.

These associations encourage good waste management, responsible energy policies and practices, and more effective use of the River Thames.

PRIORITY 5
UN SDGs SUPPORTED

11 SUSTAINABLE CITIES AND COMMUNITIES
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
17 PARTNERSHIPS FOR THE GOALS

RIVERSIDE STORIES

Championing safety in the waste industry

Chris Jones joined Cory in 1989 as a Chemical Plant Operative, eventually progressing to Group Health and Safety Manager. He is set to retire in 2020 but will continue to advise Cory on matters of risk and insurance.

Chris was voted Chairman of Waste Industry Safety and Health (WISH) in 2008, an industry body made up of companies like Cory, local authorities, government bodies, and trade associations and unions. Formed in 2001 by the Environmental Services Association and the Health and Safety Executive, WISH's standards are now recognised worldwide and used by industry and regulators on five continents. With over 30 years of experience at Cory, Chris's detailed knowledge of everything in the waste industry from energy-from-waste to landfill to collections is hard to match. This experience combined with his scientific and inquisitive approach to risk is why he is one of the most respected HSE leaders in the waste sector.

RIVERSIDE STORIES

Sebastian Frost, Senior Weighbridge Clerk

The Eco Festival was a really important day. There was a happy atmosphere, lots of activities for children and families, and great music.

The event encouraged local people to get together and think about the environment. It was good promotion for Cory in Bexley, where our EfW facility is located. The festival was a success and something we can make better each year.

A highlight for me was my wife and children coming along. My two-year-old loved the mechanical man made out of recycled metal. The day also resonated with my older children, who now notice litter on the floor and have a greater understanding of recycling and waste.

Eco Festival

In partnership with Bexley Council and other local companies, we supported the first Eco Family Festival at the historic Lesnes Abbey. The sold-out event in September 2019 attracted 400 visitors and almost 30 stall holders, exhibitors and performers.

Fiona Cummins, Cory's Learning and Development and Community Manager, coordinated the event.

"The aim was to bring the Bexley community, especially families, together and educate them about the environment and recycling. We had a fantastic turnout.

The festival was promoted in the community, meaning local young people and those out of work volunteered alongside Cory employees.

We also sponsored the Children's University, enabling local children to earn 'diplomas' through learning activities.

The Binbot was a highlight for many at the Eco Festival

For me, the highlight was the feel-good factor. Everyone had a great time and the organisers really felt involved in something worthwhile. It is wonderful to be able to support activities that make a difference to people's wellbeing."

Seb Frost (pictured) who works for Cory at the Cringle Dock Transfer Station helped on the day.

Supporting apprenticeships and employment on the Thames

Cory is a member of the Thames Skills Academy (TSA). In 2019 the TSA achieved some significant successes, including:

- the first TSA cohort of ten deck apprentices completed their course, with five succeeding in passing their Boat Masters Licence (BML). All are in full-time employment;
- the successful submission of the Trailblazer Level 3 BML Apprenticeship to the Institute for Apprenticeships;
- the Launch of the BML Apprenticeship in November 2019, with 15 apprentices started;
- being awarded a grant from the Worshipful Company of Shipwrights for SMEs to part fund the salaries of the TSA's apprentices;
- the launch of the first Maritime Engineering Apprenticeship on the Thames at South Essex College;
- the launch of the first Women's Network for the Tidal Thames; and
- taking part in Women in Maritime to promote women in the sector.

Supporting our community

In 2019 we supported community events, organisations and schools. Highlights included:

- Eco Festival 2019 (see inset);
- 25 students undertook work experience;
- over 100 children supported through the Industrial Cadets programme;
- half-term clubs for primary school children;
- promoting the Bexley 'educational passport' scheme; and
- supporting a cohort from a South London College to develop leadership, teamwork and work-ready skills.

Riverside EfW facility:

450

visitors.

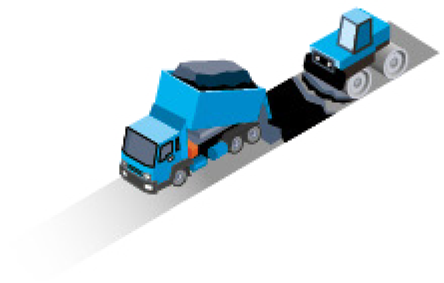
Materials Recycling Facility

5,500

visitors.

Financial review
2019

2019 was a good year with an increase in the volume of residual waste processed and an increase in underlying revenue converting into an increase in EBITDA and cash flow, allowing us to continue to invest in our exciting pipeline of projects and pay a dividend.



KEY PERFORMANCE INDICATORS

Underlying revenue (£'m)

138.1

+12%

2019	138.1
2018	123.6

Underlying revenue increased by 12 per cent during the year underpinned by an increase in residual waste volumes processed and an increase in waste gate fees. Our underlying revenue includes receipts from insurers under PDBI policies.

Underlying EBITDA (£'m)

66.8

+9%

2019	66.8
2018	61.1

The growth in underlying revenues has been converted in to profit with underlying EBITDA increased by 9 per cent during the year. Underlying EBITDA excludes development and other exceptional costs.

Cash flow available for debt service (£'m)

68.7

+48%

2019	68.7
2018	46.4

Strong profit and good cash flow management underpinned a 48 per cent increase in the cash available to service debt, invest in the Group's development projects, and pay dividends.

Average number of employees

320

+3%

2019	320
2018	312

The Group's operations in London employed 320 people during 2019, a 3 per cent increase on the previous year.

Riverside energy-from-waste throughput ('000t)

742

+1%

2019	742
2018	735

The Group's Riverside EfW facility processed more residual waste in 2019 than in the previous year making 2019 one of the best years since its commissioning in 2011.

The KPIs as well as the financial comparables for 2018 are values for the 12 months ended 31 December 2018. A reconciliation of the Underlying Revenue and Underlying EBITDA to the condensed consolidated financial information is shown in note 23 on page 70.

I am pleased to present our results for the year ended 31 December 2019, which proved to be another successful year for Cory. We increased our underlying revenues and EBITDA, managed our cash flows well and were able to pay £44.0m in dividends in respect of 2019's performance, after continuing to invest in our core assets and our exciting development pipeline.

Like all businesses in the UK, we have faced the challenge of Covid-19. Crises like these test an organisation and Cory has shown itself to be highly resilient. We have responded well, ensuring that our critical service has remained available throughout. We have also worked closely with, and supported, our customers and suppliers during this tough period.

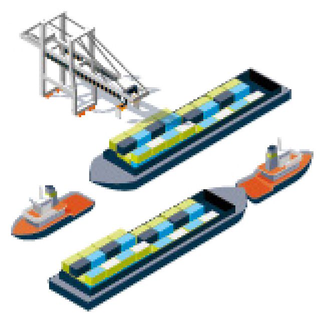
The long-term impact of Covid-19 is uncertain. However, with a strong balance sheet, long-term, reasonably priced financing and good cash reserves, we remain in a strong financial position. I believe we are well placed to face the future. There is a strong demand for the critical service we provide in London and its surrounding counties in the South East of England, which have a structural shortage of waste treatment options. This demand will underpin the growth in our revenues over the medium to long term and provides both the need and the opportunity to expand our operations organically.

Performance

The Group performed well during 2019, increasing underlying revenues by 12 per cent to £138.1m and underlying EBITDA by 9 per cent to £66.8m. Revenues were supported by a 4 per cent increase in average waste gate fees.

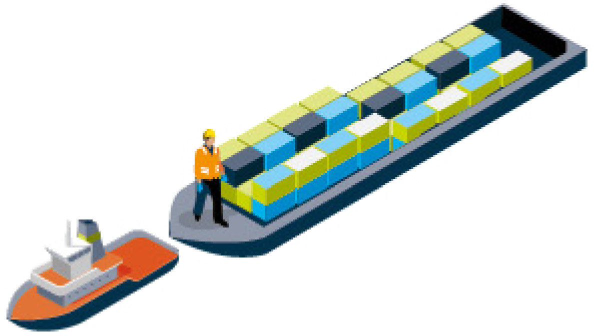
The Group's performance is particularly significant in the face of the operational challenges the Business dealt with during the year – notably the repair of the steam turbine and generator at the Riverside EfW facility. The availability of this key asset was at 87.5 per cent during the year. Yet, it still processed 742kt of London's residual waste, making 2019 one of the asset's best years since it was commissioned in 2011.

The Group managed its cash flows well during the year, increasing cash available for debt service and project development by 48 per cent to £68.7m in 2019, £46.4m in 2018.



Financial review 2019 – continued

The long-term success of the Group depends on the quality of its assets. In 2019 the Group continues to invest in its asset base. We also continued to develop an exciting pipeline of projects, which will ensure strong organic growth in the future.



Investment

The long-term success of the Group depends on the quality of its assets. In 2019, we invested £6.2m in new assets and a further £16.1m in repairs and maintenance of existing assets.

Project development

The Group continues to pursue several exciting development opportunities to significantly enhance future earnings. These include the Riverside Energy Park, a district heating scheme and plans to power a data centre development. In 2019, the Group invested £5.4m in its development pipeline – nearly double the investment in 2018 (£3.4m).

	2019 £m	2018 £m
Underlying EBITDA	66.8	61.1
Working capital	8.7	(5.2)
Exceptional costs	–	(2.2)
Capital expenditure	(6.2)	(7.3)
Tax	(0.6)	–
Cash available for debt service	68.7	46.4
Debt service	(18.4)	(41.9)
Debt refinancing	–	(256.6)
Shareholder investment	–	227.5
Project development	(5.4)	(3.4)
Free cash flow	44.8	(28.0)
Dividends	(23.0)	(3.7)
Cash movement	21.8	(31.7)
Cash brought forward	45.9	77.6
Cash carried forward	67.7	45.9

We managed cash flow well in 2019, with an increase in cash from working capital of £8.7m, partly due to the recovery of a £5.6m insurance receivable.

The insurance claim for property damage and business interruption following the breakdown of the Riverside turbine in October 2018 was settled during the year and we received payments totalling £28.2m.

	2019 £m	2018 £m
Cash	67.7	45.9
Debt	(553.9)	(553.9)
Capitalised arrangement fees	11.4	12.3
Swap valuations	(69.3)	(94.3)
Net debt	(474.8)	(495.7)

Net debt at 31 December 2019 was £474.7m (excluding mark-to-market value of swaps) (2018: £495.7m).

In October 2018, the Group refinanced its long-term debt facilities and hedging arrangements, raising a £553.8m multi-tranche senior loan which amortises over 20 years to 2038. The loans do not amortise during the first five years.

During the year, the Group paid £18.5m in interest on outstanding debt (2018: £41.9m).

Dividends

The Group has paid £47.7m in dividends since acquisition in 2018, with £44.0m paid in respect of 2019's results.

Tax

The Group's tax strategy is approved annually by the Board. Cory has a low risk appetite towards tax, and the Group's tax decisions are aligned to its business and commercial strategy. We are committed to complying with all tax laws, setting a strong tax governance framework, and maintaining open, honest, and constructive relationships with tax authorities and the Group's customer compliance manager.

The effective tax rate on the Group's profits was 19 per cent (2018: 19 per cent), which is in line with the prevailing rate of tax.

Impact of Covid-19 pandemic

Measures implemented to control the spread of Covid-19 in the UK and around the globe have had a profound impact. The rate of economic recovery and the long-term economic impact of the pandemic are uncertain. However, as a result of careful planning, Cory has proven itself to be highly resilient during the first phases of the pandemic.

Our key priority has been, and continues to be, the safety and wellbeing of all Cory employees and any essential visitors to Cory sites whilst maintaining the vital service we provide to London. Throughout the pandemic we have continued to ensure that we treat our customers and suppliers well, with prompt payment of invoices and flexibility on contractual terms where necessary.

The Board has considered various scenarios that could impact the financial standing of the Group. The Board has reviewed its financial forecasts and considered the availability of cash reserves and headroom over banking covenants in the light of Covid-19. In assessing the going concern of the Business the Board have assessed a number of severe worst-case scenarios, and combinations thereof, that last for periods of up to a year.

The Board has concluded that the Business is operationally resilient and is financially robust even in the face of a significant and prolonged financial shock, and there is a reasonable prospect that the Business will continue to be a going concern for the foreseeable future.

Outlook

The Business is well-positioned for future success. A high proportion of future revenues are already contracted, with two-thirds of revenues projected over the next five years coming from existing contracts.

The outlook for residual waste gate fees is good, with a structural deficit of residual waste treatment infrastructure in London and the South East. This is compounded by an increase in waste export costs, due in part to a new import tax in the Netherlands. Consequently, gate fees are expected to increase ahead of general inflation at the renewal of contracts. Headwinds are expected to continue in recycling markets as the impact of the national Chinese recycling strategy continues to be felt. Electricity markets are also expected to be lower in the near term due to an oversupplied gas market in the UK and lower demand for electricity as a result of the impact of the Covid-19 pandemic.

The Group will continue to invest in its assets. Capital expenditure of c£75m is forecast over the next five years, including £27m to replace Cory's Thames waste barge fleet.

The Group forecasts good headroom over all loan covenants. Our current debt is long-term – amortising to 2038. The first of the Group's current facilities to mature will be its capex facility in 2023.

Ben Butler
Chief Financial Officer

Risk management

Increase Stable Decrease

In pursuit of our strategic objectives, we will be exposed to certain risks. To succeed, we must identify and proactively manage these risks, which are dynamic and can change rapidly. We acknowledge that the rate of change is growing in an increasingly connected global economy.

Cory has a well-established framework for identifying, quantifying, and managing risk that covers the whole organisation, from the boardroom to operational sites on the ground. Our framework and approach to risk management allow the Business to take a well-informed and positive approach to the risks we face.

Responsibility for risk management and governance of risk

The Board takes overall responsibility for risk management, including the setting of risk appetite and the implementation and operation of policies to manage risk. Risk management is a key priority for the Board. It regularly reviews and challenges the risk profile of the Business, its principal risks, and management's response to, and effectiveness in, managing risk.

To improve the control and oversight of risk within the Business, the Audit and Risk Committee has been delegated to review the approach to risk management. The Committee makes sure adequate assurance is obtained and confirms that management's processes and controls for identifying risk work effectively.

Management have day-to-day responsibility for controlling risk. The ELT regularly reviews the Company's risk register and discusses emerging risks. The ELT also takes responsibility for the effective operation of policies, processes, and controls designed to manage identified risks. The Company has a Health, Safety, Environment, & Quality Assurance (HSEQA) Team, led by a member of the ELT, that is independent from the operational business. The Company also employs a number of third-party experts to provide independent assurance on areas that include financial and cyber security risks.

Risk appetite

Cory's risk management framework allows a coherent analysis of the material risks facing the Business and the options available to manage these risks. The framework acknowledges it is not possible or practical to eliminate all risk. Instead, it seeks to manage risk within an envelope established by the Board. The Company has an exceptionally low appetite for risk in areas impacting the health, safety and wellbeing of its employees, the communities within which it operates, and the general public. Cory also has a very low appetite for any risk that could harm the environment, damage our reputation, breach laws and regulations or threaten the future existence of the Business.

Insurance

We consider the use of third-party insurance carefully. Mandatory insurances are placed at competitive rates and the requirement to insure against all other risks is assessed using the Company's risk framework. If desired and available, appropriate insurance is purchased.

We have developed an approach with our insurer panel that is based on risk sharing, rather than risk transfer. We prefer to develop long-term relationships with our insurance panel to ensure the success of its risk sharing strategy. We place all our insurances with leading insurance companies and insurances are reviewed, assessed, and renewed annually.

RISK	DESCRIPTION OF THE RISK	WHAT WE ARE DOING TO MANAGE THE RISK
HEALTH, SAFETY AND WELLBEING (Stable)	If not properly controlled, our processes and operational environments could increase risk to the health, safety and wellbeing of our employees and the general public. Employees are potentially exposed to a number of operational risks through contact with machinery, working in confined spaces and at height, and exposure to regulated chemical waste, which may contain pathogens or other harmful substances.	Health and safety is central to all decision-making, targets and remuneration objectives. Cory's rigorously designed and enforced policies and standards to manage health and safety risks are promoted by regular training and 'toolbox talks'. Health and safety reports and statistics are compiled and circulated to the ELT each week. Health and safety is the first agenda item at all ELT and Board meetings. ELT and Board members visit operational sites regularly to discuss health, safety and wellbeing with employees. Cory's HSEQ Assurance function reports directly to the CEO. The HSEQA Team supports the ELT to identify risks to health, safety and wellbeing and ensures policies are enacted to reduce risk to an acceptable level. The HSEQA Team also carries out independent auditing to confirm effective operation of processes and controls designed to prevent harm.
REGULATION (Increase)	Our business activities are heavily regulated, principally by the Environment Agency's Pollution Prevention and Control permitting regime. All our operating sites hold an Environmental Permit that sets out a number of strict conditions. Laws and regulations are constantly reviewed by the government and are subject to changes in policy. Alterations to standards, regulation or compliance requirements, or any failure in compliance, could seriously impact Cory's operations and results.	The HSEQA Team ensures compliance with HSE regulations, including Environmental Permit conditions. The Company retains independent experts who advise on changing or emerging legislation, assist the ELT and Board in their response and provide assurance. Cory has exacting policies and procedures in place to manage other regulatory compliance risks such as bribery and corruption, modern slavery and competition. Senior employees are active on key industry working groups and committees and can influence legislation, regulation and best working practices.
ECONOMY AND BREXIT (Stable)	Cory is exposed to the economic conditions of our markets and the economic and political risks of the global waste supply chain. Brexit may impact the long-term growth rate of Cory's key London market. It could also have unforeseen effects on local waste markets and pricing, such as increasing logistics costs and transit times to continental Europe. The Business is exposed to changes in market prices for the services we deliver and commodities we produce. A reduction in market prices can materially reduce the Group's revenues and profits. In turn, this could make our waste management services more expensive.	We manage our exposure to economic risk through long-term relationships with key customers and suppliers. We have assessed the possible impact of Brexit across all our operations and logistics chains and implemented policies to mitigate risk. These include enhanced forward planning for supplies and components sourced from Europe and reducing our exposure to European recycling markets. We manage price risk by regularly measuring our exposure to market volatility and placing forward contracts where appropriate. Long-term contracts reduce risk to revenue. 74 per cent of the Group's forecast revenue is contracted over the next five years, and 64 per cent over the next ten years.

Risk management – continued

Increase Stable Decrease

RISK	DESCRIPTION OF THE RISK	WHAT WE ARE DOING TO MANAGE THE RISK
PEOPLE (Increase)	Cory employs over 300 people. There is a risk that the Company is unable to retain or recruit suitable talent.	Cory recognises the need to motivate and retain employees. To reward employees fairly, we regularly benchmark remuneration and benefits. Performance and retention are also promoted through an annual bonus scheme and long-term incentive plans for key employees. The Remuneration Committee oversees remuneration policy. The Board and ELT visit operational sites regularly to communicate with employees. Throughout 2019, a series of 'town hall' meetings enabled employees to share views with management. We proactively identify and promote talent from within. Our talent management and succession plan is supported by training and development programmes and apprenticeship programmes.
LEVERAGE/DEBT FINANCING (Decrease)	The business has taken out debt financing which requires ongoing servicing and compliance with a series of financial and non-financial covenants. A serious decrease in the financial performance of the Company could result in a default, accelerating loan repayments. Exposure to variable interest rates could significantly increase the Company's interest costs.	Cory borrows prudently, maintaining good headroom over financial covenants. Our detailed financial forecasts set out the expected headroom under covenants in future periods. This headroom is tested by applying a series of reasonable downside scenarios. Refinancing risk is managed by placing long-term debt. The first to mature will be the £50m capex facility in 2023, with a further £167m maturing in 2030, and the remainder (£337m) in 2038. We minimise interest rate risk through rate swaps and fixed rate debt. Cory's produces bi-weekly, 17-week cash flow and monthly financial forecasts. These are shared regularly with the ELT, the Board and Shareholders.

RISK	DESCRIPTION OF THE RISK	WHAT WE ARE DOING TO MANAGE THE RISK
DELIVERY OF STRATEGIC PROJECTS (Stable)	Our ambitious programme of development projects is expected to provide important benefits to customers and communities and deliver significant financial value to the Group. Failure to deliver a strategic project on time and on budget will reduce these benefits.	Our dedicated development and project management teams continually measure and mitigate project risks. The teams regularly report on the status of each project to the Board. Cory fosters positive, long-term relationships with all stakeholders, meeting regularly to communicate developments on key projects. To minimise delivery risk, we partner with high-quality, proven suppliers and contractors. We also employ professional project and risk managers and other third-party experts where necessary.
BUSINESS CONTINUITY AND CYBER RISK (Decrease)	Fire, flooding, civil unrest, and high tidal flows could threaten the continuity of our Business. We are also dependent on IT to operate the process equipment that delivers our products and services.	We have developed business continuity and disaster recovery plans for all sites. These are supported by ongoing training and regular testing, including drills coordinated with the emergency services. We engage independent third-party experts to assess IT resilience, including firewall vulnerability and penetration testing. In 2019, we delivered work packages to further strengthen IT security, including cyber awareness training for all employees, multi-factor authentication, separation of key network infrastructure, hard-disk encryption and email filtering. We were awarded the Cyber Essentials cyber security accreditation in December 2019.

Section 172 (1) statement

OUR COMMITMENT TO SECTION 172

Cory's purpose is ensuring London and the South East has a safer, cleaner and more sustainable way of managing recyclable and non-recyclable waste. Our directors are committed to acting, in good faith, to promote the success of the Company for the benefit of all its members.

DELIVERING AGAINST OUR COMMITMENT

Business model

Our long-term strategy relies on key relationships with employees, customers and communities. Details of Cory's business model can be found on pages 8–9 and the main risks to long-term success are addressed on pages 38–41.

Strategy

Board decision-making supports the implementation of Cory's long-term strategy. Our strategic priorities can be found on pages 14–33.

Governance

Cory's governance structures ensure directors and management have regard to the matters set out in section 172. Further information about Cory's governance can be found on pages 48–51.

Culture

Our workplace culture supports shareholders' long-term vision for the business. Communication with employees and feedback mechanisms between the Board and management help to define the Company's culture. Further information about the Company's values can be found in the CEO's statement on pages 10–13.

OUR STAKEHOLDERS

Stakeholder	HOW WE ENGAGE	KEY TOPICS IN 2019	MAIN IMPACT
Shareholders We owe fiduciary duties to our shareholders, who have invested significant capital with the intention of owning Cory in the long term. Shareholders need Cory to generate dividends to distribute to their investors, many of whom are pension funds.	• Each shareholder has representation on the Board of Directors. We provide shareholders with regular financial and non-financial information, both at and between Board meetings. • The CEO and other senior management regularly hold formal and informal meetings with shareholders.	• Long-term business plan • 2020 budget • Distributions • Capex and resilience • Health, safety, and wellbeing • Future development projects • Operational matters	• Responding to feedback, Cory changed its maintenance strategy and capex profile. • In 2019, shareholders approved the submission of the Riverside Energy Park DCO to the Planning Inspectorate and the Secretary of State.
Workforce Our employees are key to the success of our Business. Their safety and wellbeing are our top priority.	• We communicate with employees every day. In 2019, management conducted focused events, including: – 'town hall' meetings; – health and safety/engagement visits; – health and safety workshops; – generating individual development plans; and – training.	• Health, safety and wellbeing • Future development plans for the business, including the Riverside Energy Park • Personnel changes • Personal development	• Dialogue with employees in 2019 resulted in improved communication and idea-sharing between business units. We saw the formation of cross-departmental and cross-functional working groups and continue to enjoy high levels of employee retention.
Trade unions Around 50 per cent of our employees are represented by trade unions (Unite and GMB), which act as a voice for workers.	• We communicate with trade unions through: – regular meetings with local shop stewards; and – annual meetings with regional/national officials.	• Day-to-day operational matters and changes • Larger structural changes, drawn up in consultation with the unions • Discussions concerning terms and conditions	• As a result of constructive engagement with the trade unions, we made alterations to terms and conditions and implemented large structural changes. The unions identified good opportunities for improvement and these were reflected in the changes.
Customers Our customers provide the revenue to invest in our people and Business and pay distributions to our investors.	• We organise frequent, executive-level meetings with local authority customers, especially the Western Riverside Waste Authority. Cory also holds regular telephone and face-to-face meetings with commercial and industrial customers.	• Contract performance • Keeping customers updated with operational issues • Working together on communications and media management • Working collaboratively at local authority sites • REP Development consultation, exploring ways to work together on the new facility • Renegotiation of contract terms	• We maintained and strengthened key customer relationships in 2019, protecting the long-term profile of the Business. Dialogue with our customers also supported the development of the Riverside Energy Park, a key strategic priority of the Business.
Lenders Providing long-term debt on good terms, our lenders ensure we have the means to invest in our operations, now and in the future.	• Lenders receive semi-annual business performance reports and regular updates via the agent portal. If requested, they can meet in person. Our Non-executive Directors engage with lenders as and when required.	• Financial and non-financial performance of the Business • Notification of key matters affecting the Business • Consents and waivers under the loan agreement • Updates on the proposed REP Development, including the potential for lenders to further invest	• As a result of regular communication, the Company enjoys a good relationship with lenders and no defaults occurred under the loan agreement. Some lenders have indicated their interest in investing in the proposed Riverside Energy Park Development.

Section 172 (1) statement – continued

BOARD DECISION MAKING

In making decisions, our directors seriously consider long-term consequences for the Business and ensure that Cory maintains its social licence to operate.

PRINCIPAL DECISIONS

Approved medium-term capex investment increase at Riverside
In November, after extensive consultation with shareholders and suppliers, we amended the capex profile in the budget and business plan to bring forward significant capital investment in the Riverside EfW facility. Following a challenging year and after reassessing the life cycle of certain plant components, we did this to increase resilience and improve availability. This investment aligns with the strategic plan to increase waste throughput, providing more capacity for customers.

Approved submission of REP DCO application
In October, we submitted an application to the Planning Inspectorate for a DCO for the Riverside Energy Park. Developing REP will increase Cory's processing capacity by up to 805,000 tonnes per annum, diverting waste from landfill and export and providing a more sustainable solution for London and the South East. Cory consulted local authorities, government regulators, and two major customers potentially impacted by the development, whose feedback influenced the draft application. We carefully considered the environmental impact (positive and negative) of REP and prepared a Carbon Assessment, an Environmental Impact Assessment and Project Benefits Report. Initial financial due diligence demonstrated to shareholders that the REP Development aligns closely with their strategic ambitions for Cory.

Approved the interim and final dividend
Meeting shareholder dividend expectations is a high priority as shareholders have clear cash yield expectations from their investment in the Group, which is needed to meet their fund's overall objectives. Many of the investors in the funds managed by our shareholders are pension funds (including public sector pension funds) who require regular cash payments in order to make payments to their pensioners.

OUR STAKEHOLDERS – CONTINUED

Suppliers

Providing us with essential goods and services, suppliers ensure we can operate our Business efficiently and effectively.

HOW WE ENGAGE

- We communicate with suppliers through standard procurement and contract management processes. This includes credit checks, confirmation of compliance with necessary policies, negotiations and meetings. We also audited a small number of key suppliers' compliance with the Modern Slavery Act.

KEY TOPICS IN 2019

- Opportunities for further work and capital investment
- Managing disputes and addressing quality issues
- Working together to improve resilience of plant and machinery
- Modern Slavery Act compliance

MAIN IMPACT

- Cory strengthened relationships with suppliers by:
  – helping suppliers improve processes to combat modern slavery and human trafficking;
  – agreeing commercial settlements following disputes, protecting future relationships;
  – engaging new suppliers to improve service, reduce costs, and enhance quality; and
  – addressing plant availability issues in a collaborative way.

Regulators/ government

Our industry is regulated, particularly in relation to the environment and the Thames. We serve local boroughs, so it is important we maintain strong relationships with regulators and local and national government.

HOW WE ENGAGE

- We interface with regulators and government by:
  – responding to consultations, including via associations e.g. ESA, CBI;
  – formal consultation under the REP Development DCO process; and
  – visits to the Riverside EfW facility.
- We also engage with regulators through the Company's normal compliance activities and requirements.

KEY TOPICS IN 2019

- Ongoing waste treatment capacity gap in the UK
- Benefits of energy-from-waste over landfill and RDF export
- Role of energy-from-waste in responsible waste management and in renewables mix
- Proposed REP Development
- Compliance with legal reporting requirements e.g. emissions from Riverside and HSE reporting

MAIN IMPACT

- Strong communication with government and regulators resulted in:
  – increased awareness of the waste treatment capacity gap and the benefits of energy-from-waste treatment;
  – full involvement in consultation process by the EA, PLA, GLA and affected local boroughs; and
  – strengthened relationships.

Community

We operate several sites across London and serve various boroughs by managing their waste. It is vital we have a positive impact on the communities we operate in.

HOW WE ENGAGE

- Community engagement included:
  – formal consultation on the REP Development;
  – educational/school visits;
  – regular media communication;
  – work experience programs; and
  – support for the Industrial Cadets and other nationally recognised providers of opportunities to enhance STEM skills.
- The Company also operates reuse and recycling centres at Western Riverside and Northumberland Wharf, benefiting the communities of Wandsworth and Tower Hamlets respectively.

KEY TOPICS IN 2019

- Impact of proposed REP Development on the community and environment (e.g. traffic and air pollution)
- Responsible waste and resource management, including recycling education and awareness
- Opportunities for employment in STEM areas, including the waste management sector

MAIN IMPACT

- Following community engagement, more people understand how to responsibly manage their waste. Children completing work experience or taking part in the Industrial Cadets learned key skills and discovered future career opportunities.
- The few community objections to the REP Development raised during the DCO process were acknowledged and dealt with appropriately.

Environment

Our purpose is to responsibly manage London's waste whilst reducing environmental impact. By diverting 742,000 tonnes of waste from landfill in 2019 we estimate that we saved 148,000 tonnes of CO_2eqv.

While the overall impact of our operations is to reduce the UK's greenhouse gas emissions, our processes inevitably emit some greenhouses gases and emissions to air.

The Riverside EfW facility and future REP Development are next to a nature reserve so we work to minimise our impact on biodiversity and natural habitats.

HOW WE ENGAGE

- In 2019, we considered the environment through:
  – REP Development consultations with GLA, PLA, London Borough of Bexley and Friends of Crossness Nature Reserve;
  – DCO processes (e.g. Environmental Impact Assessment);
  – compliance with all permit and consent requirements;
  – members of the ELT Team sitting on environmental policy boards and working groups such ESA, CBI, Clean Air Thames, and Policy Connect; and
  – exploring investment in new technologies to reduce emissions.

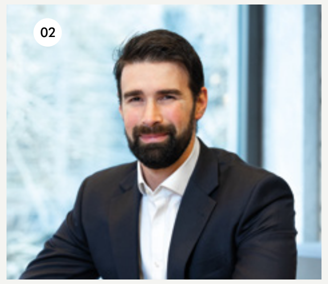
KEY TOPICS IN 2019

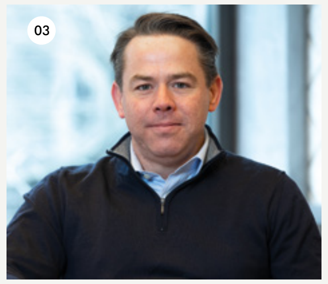
- Emissions, air quality, and climate impact of Riverside, the REP Development and lighterage operations
- Effect on biodiversity and natural habitats
- Traffic management
- Investment in new technologies to minimise environmental impact

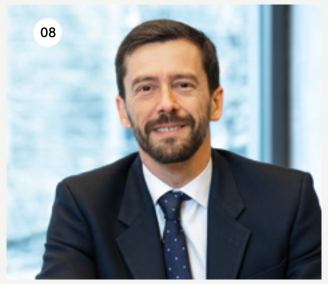
MAIN IMPACT

- As part of the DCO process, we carefully examined the environmental impact of the REP Development. As a result, we have designed it to produce the lowest possible emissions of any UK site of its kind given current available technologies.
- Cory is investigating new green technologies such as heat networks and electric vehicles to reduce our impact on the environment, reduce our emissions and help the UK meet its net zero carbon commitment.

Board of directors







01. JOHN BARRY
Chair, Independent NED

John joined the Board in August 2018.

Skills and experience
John started his career as a chartered accountant, working at Ernst & Young between 1989 and 1996, before joining 3i Group and helping to found 3i Infrastructure. From 2009–2017, John was a managing director of First Reserve, where he helped found its energy infrastructure business. At First Reserve, John oversaw numerous investments into the energy sector including energy-from -waste, wind and solar power plants, gas-fired power plants and energy backup and served as non-executive chair of four renewable energy investments.

In addition to his position at Cory, John is a non-executive director of Anglian Water Group, the holding company of Anglian Water Services, and Selkie Investments Midstream Topco, the parent company of North Sea Midstream Partners.

02. BEN BUTLER
Director, CFO

Ben joined the Board in January 2019.

Skills and experience
Ben has been with Cory since 2010 and was appointed CFO in 2019. He was instrumental in reshaping the Group, culminating in the sale and refinancing of the Cory Riverside Energy business in 2018.

Ben is a fellow of the Institute of Chartered Accountants in England and Wales and holds an MSc in Environmental Technology from Imperial College, London as well as an MA in Natural Sciences from the University of Cambridge.

03. JASON COGLEY
Director

Jason joined the Board in June 2018.

Skills and experience
Jason leads deal origination and execution, and contributes to asset management in Europe for Fiera Infrastructure, based in London.

Jason has extensive experience, acquired during more than 19 years in infrastructure and investment industries. Prior to joining Fiera, Jason worked at Standard Life Capital, the private markets business of Standard Life, he focused on the sourcing, due diligence and monitoring of direct infrastructure investment opportunities. He originated the majority of portfolio company investments for Standard Life Capital Infrastructure, their infrastructure fund. Before joining SL Capital, Jason worked for 15 years in the infrastructure sector, dealing with energy infrastructure, regulated utilities and PPPs with Impax Asset Management, Infrared Capital Partners, Macquarie Infrastructure and Real Assets, as well as PwC.

Jason holds a Bachelor of Commerce degree from Monash University in Australia and is certified as a Chartered Accountant (ICAA).

04. WILLIAM (BILL) DOUGHTY
Director

Bill joined the board in June 2018.

Skills and experience
Bill is able to draw upon skills and experience gleaned from a career spanning over 30 years. Whilst a specialist in the management of infrastructure related investments, his breadth of skills encompass the establishment, acquisition, financing and disposal of businesses across a range of infrastructure sectors. This experience includes significant involvement in the fields of public-private partnerships, renewable energy, utilities, transport, real-estate and banking sectors, both in the UK and across the globe.

The most recent phase of his career has seen him take on a number of non-executive roles. His current appointments include:

- Independent non-executive director, Semperian Group
- Non-executive director & Chair of Investment Committee, Bluefield LLP
- Chair, Go Group Holdings Ltd
- Chair, Brookmans Park Golf Club Ltd

05. GREGOR JACKSON
Director

Gregor joined Board in June 2018.

Skills and experience
Gregor has extensive experience developing, acquiring and managing major infrastructure projects in the UK and Europe on behalf of investors.

Originally from Australia, Gregor trained as a banking and finance lawyer at Freehills in Sydney and Allen & Overy in London before moving to principle investment roles at ABN AMRO, Macquarie Capital and Lend Lease. He is a director at Dalmore Capital and has served on the boards of Agility Trains West and the Exchequer Partnership PLC, which is responsible for the HM Treasury building.

Gregor holds an honours degree in law and a degree in economics from the Australian National University in Canberra and was admitted to the supreme court of New South Wales in 2001.

06. ALISTAIR RAY
Director

Alistair joined the board in April 2019.

Skills and experience
Alistair is the chief investment officer of Dalmore Capital and has over 20 years' experience in the infrastructure sector. Since 2009 Dalmore Capital, under Alistair's direction, has invested over £5bn of long-term investors' money into core infrastructure. Previously, as part of a team, Alistair has invested in infrastructure at several leading financial institutions, including Merrill Lynch, 3i Group, Noble and Company and Edison Capital. Alistair began his career in 1997 with British Linen Bank and holds a Bachelor of Engineering honours degree.

Alistair is the director of several Dalmore Capital group companies and investments, including the Thames Tideway Tunnel.

07. ANDREW RHODES
Director

Andrew joined the Board in June 2018.

Skills and experience
Andrew is the managing director of Semperian Capital Management, responsible for investments, equity and debt fund raising and the overall performance of the Semperian Group. He has worked as a project finance specialist for 25 years, with a background in major global energy, water and infrastructure projects.

More recently, Andrew has focused on UK Private Finance Initiatives (PFI), taking responsibility for one of the largest PFI companies in the UK, with over 300 employees covering a broad range of technical skills. Andrew has also undertaken over £1.0bn equity fund raising, £2.0bn portfolio leverage and numerous project acquisition finances.

This extensive experience enables Andrew to guide Cory through today's complex and challenging operational environment.

Andrew is registered as a general representative with the FCA.

08. ADOLFO PARDO DE SANTAYANA MONTES
Director

Adolfo joined the Board in November 2018.

Skills and experience
Adolfo has over 17 years' experience in the power and infrastructure sectors, both in the UK and abroad. He has worked for lending institutions, infrastructure companies such as Heathrow and Tideway, and for institutional equity investors. Adolfo holds a BSc (Hons) in Civil Engineering from Universidad Politécnica de Madrid and an MBA from London Business School.

09. DOUGIE SUTHERLAND
Director, CEO

Dougie joined the Board in April 2019.

Skills and experience
With over 20 years' senior leadership experience across both public and private sectors, Dougie has developed, acquired, sold, and operated several major national infrastructure and public service businesses. His knowledge of contracting and commissioning energy-from-waste plants is invaluable. Dougie holds a BSc (Hons) in Civil Engineering from the University of Edinburgh. He started his career in the British Army, with tours in Northern Ireland and Iraq. He was on the board of Interserve before joining Cory.

Dougie is a director on Environmental Services Association Board.

10. TESS BRIDGMAN
General Counsel and Company Secretary

Tess joined Cory as General Counsel and Company Secretary in March 2016.

Skills and experience
Tess saw the Group through a period of major change, including restructure, refinance and sale between 2016 and 2018. In 2019, she was awarded General Counsel of the Year at The Lawyer Awards, Europe's largest celebration of legal excellence. She has a background in renewables, having worked for Meridian Energy, New Zealand's largest electricity company, which generates electricity from 100 per cent renewable sources. Tess holds a BA (majoring in Politics) and an LLB Hons (First Class) from the University of Otago and a Master's in Law from the University of Toronto.

Tess is a member of the Infrastructure board at the CBI (Confederation of British Industry).

Corporate governance review

We're a company with a strong purpose and a clear set of values. We aim to make London a better, more sustainable city to live in. There is a strong business case for the rigorous maintenance of high governance standards. We must maintain our social licence to operate from both the local government and the communities in which we work.

PURPOSE AND LEADERSHIP

The Board

The Board ensures Cory achieves its strategy and objectives in line with our values and purpose. It is responsible for Cory's long-term success and delivering sustainable value to shareholders and stakeholders. The Board sets strategic direction and risk appetite and standards of culture and behaviour. It monitors performance and makes sure the business has the resources, systems and controls needed to achieve its objectives.

The CEO, CFO and other senior executive team members are responsible for the day-to-day operation and management of the business. The Board has an approved set of Delegated Authority Procedures (DAP) in line with the terms of the Shareholders' Agreement and the key funding agreement. The DAP defines the levels of authorisation required for key decisions concerning funding and investment, contractual commitment and change, acquisitions and disposal, recruitment and compensation, treasury, and litigation and claims settlement. The DAP authorises management to approve decisions up to specified limits, beyond which the Board's approval must be obtained. Certain decisions are reserved to shareholders for approval under the Shareholders' Agreement, following consideration by the Board.

Board meetings

The Board met 11 times in 2019. Also meeting at a strategy day in September, the Board reviewed market and growth opportunities and priorities across the medium to long term.

Directors are expected to attend all meetings of the Board, and the Committee on which they sit, devoting sufficient time to Cory to fulfil their directorial duties. Each shareholder-director is entitled to invite one observer to attend Board meetings.

The following table shows directors' attendance at scheduled Board and Committee meetings during the period (noting that not all directors were appointed throughout the full period).

Board attendance	Number of meetings attended
Ben Butler	11
Jason Cogley	10
William (Bill) Doughty	11
Gregor Jackson	7
Alistair Ray	5
Andrew Rhodes	9
Adolfo Pardo De Santayana Montes	10
Dougie Sutherland	7

Information and support

Non-executive Directors communicate directly with executive directors and other members of the ELT between formal meetings. Shareholders have rights to certain key information under the Shareholders' Agreement. Monthly financial review calls are held between the CFO and shareholder-directors or their delegated alternates. Both the Board and its Committees have access to independent professional advice at Cory's expense, where necessary, to discharge their responsibilities as directors.

Conflicts of interest

Directors are expected to raise any potential, actual, or perceived conflicts as soon as they arise, so the Board can consider them at the next available opportunity. Directors are also asked to declare any conflicts of interest at the start of every Board meeting and may be asked to remove themselves from discussions and/or decision-making, if a potential conflict is identified.

Board evaluation

The Chair holds periodic meetings with shareholder-directors to discuss the performance of management and the Board. The Board intends to commission an external Board evaluation every three years.

Culture and values

Cory's workplace culture supports the shareholders' long-term vision for the Business. Cory's values of 'Care and Respect', 'One Team' and 'Sustainability' were formally articulated through employee engagement in 2018, with support from the Board. The Board continues to encourage engagement with and feedback from employees. The materiality assessment, for example, conducted in early 2020, will help clarify employees' views on material matters relating to the sustainability of the Business.

CARE AND RESPECT, ONE TEAM, AND SUSTAINABILITY

CARE AND RESPECT

ONE TEAM

SUSTAINABILTY

COMPOSITION AND RESPONSIBILITIES

The Board

The Board comprises an independent Non-executive Chair, five Non-executive Directors, representing shareholders (shareholder-directors), and two executive directors: the CEO and CFO. All members are male. The Board is in the process of appointing a second independent Non-executive Director following a resignation in January 2020. The membership of the Board is governed by the terms of the Shareholders' Agreement.

EXPERIENCE AND RELEVANCE TO EFFECTIVENESS

The Board offers a wealth of experience across a range of relevant disciplines.

TECHNOLOGY

ENVIRONMENT

FINANCE

ENERGY

INFRASTRUCTURE

Corporate governance review continued

DIVISION OF RESPONSIBILITIES WITHIN THE BOARD

Independent Chair

The Chair leads the Board, provides independent oversight and governance, sets the agenda and ensures effective operation. He achieves this through promoting an open culture, allowing people to challenge the status quo, holding individual and group meetings with shareholder-directors and consulting regularly with the CEO, CFO, General Counsel and Company Secretary. The Board is satisfied the independent Non-executive Chair is independent in character and judgement and there are no relationships or circumstances which are likely to affect, or could appear to affect, his independence.

Shareholder-directors

The Board includes five Non-executive Directors who represent the current shareholders. They use their breadth of knowledge and experience to challenge, monitor and approve the strategy and business plan recommended by the executive directors. In performing their duties, or exercising any right, power or discretion, each shareholder-director must represent the interests of all shareholders.

Executive directors

As head of the ELT, the CEO is responsible for all Cory's leadership and operational management within the annual business plan approved by the Board and lenders. He is supported by the CFO, General Counsel and Company Secretary and the five other directors on the ELT.

The CFO manages Cory's finances, including financial and business planning, management accounting and control processes and treasury. This is in order to deliver the business plan, including capital projects, manage ongoing operations and ultimately protect shareholder value. He is also responsible for information and technology systems and risk management and insurance.

Company secretary

The General Counsel is secretary of the Board. Through the Chair, she advises the Board on governance and high-level sustainability matters, and is responsible for ensuring information flows smoothly within the Board and its Committees and between senior management and Non-executive Directors. She also ensures all directors are kept abreast of key legal issues and relevant changes in legislation and regulations.

COMMITTEES

The Board delegates specific responsibilities and decision-making powers to three standing Committees: Audit and Risk, Remuneration, and Developments. Each Committee has written terms, reviewed regularly, which set out its duties, authority, and reporting responsibilities.

Audit and Risk Committee

Chaired by Gregor Jackson, the Audit and Risk Committee's primary responsibilities are ensuring proper measurement and reporting of Cory's financial performance and monitoring the quality of internal controls and risk management.

The Committee receives reports from the Group's external auditor and advises on auditor appointments. It reviews the risk register bi-annually, making sure it is comprehensive and appropriate mitigation measures are in place. The Committee also upholds standards relating to whistleblowing and fraud detection. The CFO is invited to Committee meetings and the General Counsel acts as secretary.

Remuneration Committee

The Remuneration Committee is chaired by John Barry. It reviews the performance of executive directors and makes recommendations to the Board concerning remuneration, incentive schemes, employee benefits and contractual terms of employment.

The CEO and Chair are on the Committee, but are not part of discussions directly related to their own benefits or remuneration. The Board believes a separate Nominations Committee is not presently required. As such, the Remuneration Committee is also responsible for the appointment of any new independent Non-executive Directors. The Director of Human Resources acts as secretary.

Developments Committee

Chaired by John Barry, the Developments Committee has oversight of the REP Development, including planning, development, financing, construction and commissioning.

The Committee is also responsible for other capital development projects outside the ordinary course of business, as delegated by the Board when necessary. ELT members are often invited to the Committee. The General Counsel acts as secretary.

Changes to the Board

There were three departures from the Board and three appointments during 2019. Dougie Sutherland replaced Nick Pollard as CEO; Ben Butler replaced Richard Milnes-James as CFO; and Alistair Ray replaced Barry Millsom as shareholder-director representing Dalmore. The biographies of all the directors in place at the year end can be found at page 46, except for that of independent Non-executive Director Elise Vaudour, who resigned effective 13 January 2020. As a result of her resignation, the Board has no women on it, reducing its gender diversity from 11 per cent to 0 per cent.

Directors

The directors of the Company during the year were:

A G Ray (appointed 1 April 2019)
J R Barry
B J Butler (appointed 1 January 2019)
J D Cogley
W Doughty
G S Jackson
B P Millsom (resigned 10 May 2019)
A F P D S Montes
C N Pollard (resigned 23 April 2019)
A C M Rhodes
E L M Vaudour (resigned 13 January 2020)
D I Sutherland (appointed 1 May 2019)

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

INTERNAL CONTROLS AND RISK MANAGEMENT

The Board has ultimate responsibility for the Group's internal controls, reviewing their effectiveness to ensure best practice, taking into account its size and the resources available. Any such system of internal control can provide reasonable, but not absolute, assurance against material misstatement or loss. However, the Board considers the internal controls in place appropriate for the size, complexity and risk profile of the Group.

The principal elements of the Group's internal control system and the main risks it faces are summarised on pages 38–41

The Board considers the introduction of an internal audit function inappropriate at present.

RELATIONS WITH STAKEHOLDERS

The Board is committed to acting, in good faith, to promote the long-term success of the Company. Directors and management engage with a wide range of stakeholders that impact, or are impacted by, Cory's operations. These include employees, customers, suppliers, the environment, and the wider community. We consistently communicate to maintain strong stakeholder relationships, and stakeholders' views are reflected in the strategic direction of the Business.

Further information can be found on pages 42–45

Condensed consolidated financial information

Pages 53 to 70 present condensed consolidated financial information. This condensed consolidated financial information has been extracted from Cory Topco Limited's Report and Consolidated Financial Statements for the Year Ended 31 December 2019, which were prepared in accordance with FRS102, the Financial Reporting Standard applicable to the United Kingdom and the Republic of Ireland (FRS102).

Whilst the condensed consolidated financial information has been computed in accordance with FRS102, it does not contain sufficient information to comply with FRS102 and the information set out does not constitute statutory accounts for the current year or prior period. Statutory accounts for Cory Topco Limited, for the year ended 31 December 2019 and for the period 29 May 2018 to 31 December 2018, have been reported on by the independent auditor and have been delivered to the registrar of companies. The independent auditor has reported on those accounts; their reports were (i) unqualified; (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report; and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

Condensed consolidated income statement

for the year ended 31 December 2019

	Note	Year ended 31 December 2019 £'000	Period 29 May 2018 to 31 December 2018 £'000
Turnover	3	**115,422**	54,956
Cost of sales		**(120,893)**	(57,137)
Gross profit		**(5,471)**	(2,181)
Other income	4	**24,107**	5,578
Administrative expenses (excluding exceptional items)		**(23,406)**	(11,438)
Exceptional costs	5	**(5,429)**	(24,969)
Group operating loss		**(10,199)**	(33,010)
Profit/(loss) from changes in fair value of derivatives		**31,166**	(91,516)
Interest receivable and similar income	7	**285**	33
Interest payable and similar charges	8	**(17,406)**	(43,126)
Profit/(loss) on ordinary activities before taxation		**3,846**	(167,619)
Taxation on profit/(loss) from ordinary activities	9	**10,654**	6,688
Profit/(loss) for the financial year		**14,500**	(160,931)

The notes on pages 58 to 70 form part of this financial information.

Condensed consolidated balance sheet
at 31 December 2019

Company number 11385842	Note	2019 £'000	2019 £'000	2018 £'000	2018 £'000
Fixed assets					
Intangible assets	10		**232,367**		246,352
Tangible assets	11		**1,415,425**		1,466,680
			1,647,792		1,713,032
Current assets					
Stock	13	**86**		92	
Debtors – falling due within one year	14	**22,141**		23,348	
Deferred tax asset falling due after more than one year	20	**11,790**		1,929	
Cash at bank and in hand		**67,702**		45,927	
		101,719		71,296	
Creditors: amounts falling due within one year	16	**(23,083)**		(16,088)	
Net current assets			**78,636**		55,208
Total assets less current liabilities			**1,726,428**		1,768,240
Creditors: amounts falling due after more than one year	17		**(611,759)**		(635,871)
Provisions for liabilities			**(116)**		(116)
Deferred tax provision falling due after more than one year	20		**(177,399)**		(179,642)
Net assets			**937,154**		952,611
Capital and reserves					
Called up share capital	19		**11,149**		11,149
Interest rate hedge reserve			**(8,909)**		(1,952)
Profit and loss account			**934,914**		943,414
Shareholders' funds			**937,154**		952,611

The notes on pages 58 to 70 form part of this financial information.

Condensed consolidated statement of comprehensive income
for the year ended 31 December 2019

	Note	Year ended 31 December 2019 £'000	Period 29 May 2018 to 31 December 2018 £'000
Profit/(loss) for the financial year		**14,500**	(160,931)
Movement in interest rate hedge		**(9,881)**	(2,352)
Amortisation of hedge reserve		**1,499**	–
Deferred tax movement on interest rate hedge		**1,425**	400
Total comprehensive gain/(loss) for the year		**7,543**	(162,883)

The notes on pages 58 to 70 form part of these financial information.

Condensed consolidated statement of changes in equity
for the year ended 31 December 2019

	Share capital £'000	Share premium £'000	Interest rate hedge reserve £'000	Profit and loss account £'000	Total equity £'000
At 29 May 2018	–	–	–	–	–
Loss for the period	–	–	–	(160,931)	(160,931)
Hedge effective portion of change in fair value of designated hedging instrument	–	–	(2,352)	–	(2,352)
Deferred tax movement on interest rate hedge	–	–	400	–	400
Total comprehensive loss for the period	–	–	(1,952)	(160,931)	(162,883)
Issue of shares	11,149	1,108,045	–	–	1,119
Capital reduction	–	(1,108,045)	–	1,108	–
Dividend	–	–	–	(3,700)	(3,700)
At 31 December 2018	11,149	–	(1,952)	943,414	952,611

	Share capital £'000	Share premium £'000	Interest rate hedge reserve £'000	Profit and loss account £'000	Total equity £'000
1 January 2019	**11,149**	**–**	**(1,952)**	**943,414**	**952,611**
Profit for the year	**–**	**–**	**–**	**14,500**	**14,500**
Hedge effective portion of change in fair value of designated hedging instrument	**–**	**–**	**(9,881)**	**–**	**(9,881)**
Amortisation of hedge reserve	**–**	**–**	**1,499**	**–**	**1,499**
Deferred tax movement on interest rate hedge	**–**	**–**	**1,425**	**–**	**1,425**
Total comprehensive loss for the year	**–**	**–**	**(6,957)**	**14,500**	**7,543**
Dividend	**–**	**–**	**–**	**(23,000)**	**(23,000)**
At 31 December 2019	**11,149**	**–**	**(8,909)**	**934,914**	**937,154**

The notes on pages 58 to 70 form part of this financial information.

Condensed consolidated statement of cash flow
for the year ended 31 December 2019

	Note	Year ended 31 December 2019 £'000	Period 29 May 2018 to 31 December 2018 £'000
Profit/(loss) for the financial year		**14,500**	(160,931)
Adjustments for:			
Depreciation and amortisation of fixed and intangible assets		**71,453**	35,313
Net fair value loss recognised in profit or loss on derivatives		**(31,166)**	91,516
Net interest payable	8	**17,406**	43,093
Net interest receivable	7	**(285)**	–
Taxation credit	9	**(10,654)**	(6,688)
Increase/(decrease) in trade and other debtors		**1,802**	(5,177)
Profit on disposal of tangible fixed asset		**(40)**	
Decrease in stocks		**6**	21
(Increase)/decrease in trade and other creditors		**6,994**	(19,818)
Decrease in provisions		**–**	(10)
Cash from operations		**70,016**	(22,681)
Interest paid		**(16,637)**	(48,274)
Cash settlements on derivatives		**(2,184)**	(6,818)
Tax paid		**(617)**	–
Net cash generated from operating activities		**50,578**	(77,773)
Cash flows from investing activities			
Purchase of tangible fixed assets		**(6,215)**	(4,677)
Acquisition of subsidiaries		**–**	(849,741)
Swap interest received		**87**	–
Sale of tangible fixed assets		**40**	–
Interest received		**285**	33
Cash acquired on acquisition		**–**	97,381
Net cash used from investing activities		**(5,803)**	(757,004)
Cash flows from financing activities			
Issue of shares		**–**	1,119,194
New bank loans drawn		**–**	544,897
Capital repayments		**–**	(697,132)
Settlement of interest rate swaps		**–**	(79,055)
Costs incurred associated with debt issue		**–**	(3,500)
Equity dividends paid		**(23,000)**	(3,700)
Net cash used from financing activities		**(23,000)**	880,704
Net increase in cash and cash equivalents		**21,775**	45,927
Cash and cash equivalents at beginning of year		**45,927**	–
Cash and cash equivalents at end of year		**67,702**	45,927
Cash and cash equivalents comprise:			
Cash at bank and in hand		**67,702**	45,927

The notes on pages 58 to 70 form part of this financial information.

Notes forming part of the condensed consolidated financial information for the year ended 31 December 2019

1 Accounting policies

The following principal accounting policies have been applied:

Basis of consolidation

The Group financial statements consolidate the financial statements of Cory Topco Limited and its subsidiary undertakings which are drawn up to 31 December each year.

Exceptional items

The Group presents exceptional items on the face of the profit and loss account 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 period, so as to facilitate comparison with prior periods and to assess better trends in financial performance.

Fixed asset investments

Investments are held at the lower of cost or net realisable value. The carrying values of fixed asset investments are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Going concern

Following the end of the financial year the UK has been affected by the Covid-19 pandemic. Measures to control the spread of Covid-19 in the UK and around the globe have been implemented, which are expected to have profound economic implications. The Board considered various scenarios that could impact the Group. The Board has reviewed its financial forecasts and considered the availability of cash reserves and headroom over banking covenants in the light of Covid-19. The Board have assessed a number of severe worst-case scenarios, and combinations thereof, that last for periods of up to a year.

Of the scenarios that potentially impact the Group those that present most concern is the availability of key staff to man operations, and the potential impact of a reduction in waste arisings that are the fuel for our key energy-from-waste asset.

In respect of being able to operate key facilities:

The Group has been classified as operating an essential service, and the staff have been designated as key workers, in recognition of the key role that our Business has in managing London's waste, and providing baseload electricity. As a result, the Board does not consider that operations would be prevented from operating by the government.

With regard to the availability of key workers to operate the facilities the Group has put in place robust contingency plans to ensure the health and safety of workers, whilst allowing the continuation of our essential service. The effectiveness of these plans has also been tested against a number of scenarios including the government's published 'reasonable worst case' absence levels of 20 per cent. The headlines of the Group's operational review are set out below:

- the Group has reviewed all of the minimum manning levels
- the Group has reviewed all of our key operation posts to ensure that not only can the Group operate at minimum levels but that the right expertise is in place
- the Group has reviewed plans for supplies, which is an extension of the Brexit planning already put in place
- key sub-contractors have been contacted and contingency plans have been reviewed

Management have reviewed back-office resources and procedures to ensure the Group can function remotely, continue to pay staff and sub-contractors and issues invoices. Staff can operate remotely with full access to the network and IT systems, and the Business can operate with a reduced level of staffing which will be able to span sickness periods. The Group has contacted key customers to ensure that they have sufficient resilience in place to process invoices and make payments.

As a result of this review, the Board is assured that the Business would not be prevented from operating due to unavailability of key workers.

With regard to a reduction in the supply of waste:

The Business has already been operating in a 'UK lockdown' situation for a number of weeks and has seen the level of Commercial and Industrial (C&I) waste supply reduce but stabilise at c50 per cent of pre-Covid-19 levels. Municipal waste volumes have held up at pre-Covid-19 levels. Overall waste supply is a c75–80 per cent of the levels budgeted for the year. At this reduced level of waste, the Business can continue to operate within its loan covenants and available cash reserves.

In addition to the operational continuity and waste supply scenarios considered above other reasonable worst-case scenarios have been considered. These worst-case scenarios have also been compounded to observe the effect of multiple worst-case risks crystallising.

1 Accounting policies continued

In addition to the worst-case scenarios the Group has also run several 'reverse stress tests' in relation to C&I waste volumes and also total revenue from its operations in order to determine the conditions under which it would no longer be possible to conclude that the Business is a going concern. Having performed these tests the directors conclude that the likelihood of such conditions arising are exceptionally remote.

Having carried out these reviews the directors are able to conclude that the Business is robust even in the face of a significant and prolonged financial shock. Consequently, the directors conclude that there is a reasonable prospect that the Business will continue to be a going concern for the foreseeable future.

Intangible assets and goodwill

Positive goodwill is capitalised, classified as an asset on the balance sheet and amortised on a straight-line basis over its useful economic life. It is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

Goodwill is amortised on a straight-line basis over its useful estimated life of up to a maximum of 34 years, which is consistent with the period that the primary tangible fixed asset is being depreciated over.

Intangible assets, including contracts acquired as part of an acquisition, are capitalised separately from goodwill if the fair value can be measured reliably on initial recognition. Intangible assets are amortised on a straight-line basis over their useful estimated life of between 9 and 30 years.

Goodwill and intangible assets are tested for impairment where there is an indicator of impairment within the identified income generating unit.

Business combinations

The consolidated financial statements present the results of Cory Topco Limited and its subsidiaries (the Group) as if they formed a single entity. Inter-company transactions and balances between Group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the balance sheet, the acquired group's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases. Any premium on acquisition is dealt with in accordance with the goodwill policy.

Tangible assets

Tangible assets are initially recorded at cost.

Depreciation is not charged in respect of freehold land. 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:

Freehold property	– Over the life of the associated site
Long leasehold property	– Over the life of the respective contract
Short leasehold property	– Over the life of the lease
Plant and machinery	– 3 to 34 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 EfW facility was capitalised until the completion of commissioning.

Current tax and deferred taxation

Tax on 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 exceptions:

- Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, or gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.
- 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.

Notes forming part of the condensed consolidated financial information for the year ended 31 December 2019 continued

1 Accounting policies continued

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.

Interest income

Interest income is recognised as interest accrues using the effective interest method.

Pensions

The Group also participates in the following defined contribution pension schemes:

- Cory Environmental Pension Scheme (CEPS) provided by Prudential
- The People's Pension.

These are all defined contribution pension schemes, and during the year were run on behalf of the employees and operated in the United Kingdom by Cory Environmental Holdings Limited. Contributions to the schemes are charged to the income statement when payable.

During the year, and in the prior year the Group participated in the Former Registered Dock Workers Pension Fund in respect of certain former employees. This was a defined benefit scheme in which companies across the industry participate. Following cessation there are no liabilities or obligations remaining on the Group. In the prior year it was not possible to analyse the assets and liabilities of the scheme between the participating companies, this scheme was treated as a defined contribution scheme up until the exit date. Following which there are no liabilities or obligations remaining.

Employers' contributions in respect of section 75 debts are accounted for when paid or when determined by the actuary, whichever is the earlier. Debts are recognised in full with provisions for recoverability and the time value of money.

Operating leases

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

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.

Provisions for liabilities

A provision is recognised when the Group 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.

Insurance provisions

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

Other provisions including liabilities, damages and other claims

Full provision is made for onerous contracts and salvage or repair costs of damage to barges and containers. If in the opinion of the directors, there is a likelihood of claims arising from third parties, these are provided for in the financial statements.

Interest-bearing loans and borrowings

All interest-bearing loans and borrowings are initially recognised at net proceeds. After initial recognition, debt is increased by the finance cost in respect of the reporting period and reduced by payments made in respect of the debts of the period. Finance costs of debt are charged to the income statement over the term of the debt using the effective interest rate method so the amount charged is a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument and are written down using the effective interest rate method. If the loan to which the issue costs relate to is extinguished, the issue costs are fully written down immediately to the income statement.

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.

Stocks

Stock, principally raw materials and consumables, is stated at the lower of cost and net realisable value. Cost includes, where appropriate, relevant overheads.

Inflation rate swaps

The criteria for inflation rate swaps are:

- the instrument must be either related to an asset or a liability, or a forecast revenue or cost profile, and;
- it must either change the character of the real inflation rate by converting a variable rate to a fixed rate or vice versa, or it must exchange a variable inflation rate to a fixed inflation rate.

Inflation differentials are recognised by accruing the net amounts payable or receivable. Inflation rate swaps are revalued to fair value (market value as determined by the swap holders) and shown on the balance sheet at the year end with movements flowing through the income statement. If they are terminated early, the gain/loss is recognised immediately.

1 Accounting policies continued

Hedge accounting

The Group has entered into variable to fixed rate interest rate swaps to manage its exposure to interest rate cash flow risk on its variable rate debt. Those derivatives are measured at fair value at each reporting date. To the extent the hedge is effective, movements in fair value are recognised in other comprehensive income and presented in a separate interest rate hedge reserve. Movements in deferred tax related to the hedge are also recognised in other comprehensive income and presented in the interest rate hedge reserve. Any ineffective portions of those movements are recognised in profit or loss for the year.

Derivative financial instruments and hedge accounting

The Company uses derivative financial instruments to manage its exposure to interest rate risk on its variable rate borrowings. The Company does not enter into derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in the income statement immediately unless the derivative is designated and effective as a hedging instrument in a qualifying cash flow hedge relationship.

Cash flow hedges

The Group designates the interest rates swaps held as hedging instruments in cash flow hedge relationships of its variable rate borrowings. At the inception of the hedge relationship, the Group documents the economic relationship between the hedging instrument and the hedged item. An economic relationship exists if, over the life of the hedge, the Group expects the change in fair value of the hedged item to typically move in the opposite direction to the change in fair value of the hedging instrument in response to movements in the same risk, e.g. interest rates.

To the extent that a cash flow hedge is effective, movements in the fair value of the derivative financial instrument are recognised in other comprehensive income and presented in a separate cash flow hedge reserve within equity. Movements in deferred tax related to the hedge are also recognised in other comprehensive income and presented in the cash flow hedge reserve. Hedge ineffectiveness (which may arise as a result of such things as the inclusion of credit and funding adjustments in determining the fair value of the derivative financial instrument) is recognised in the income statement if the cumulative gain or loss on the hedging instrument from inception of the hedge is more than the cumulative change in present value of the expected future cash flows on the hedged item from inception of the hedge. Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to the income statement in the periods in which the hedged item affects the income statement or when the forecast transaction is no longer expected to occur at which time amounts deferred in equity are reclassified to the income statement immediately.

Hedge accounting is discontinued when the Group revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting.

Capitalisation

Fixed assets shall be recorded at historical cost as of the date acquired. Cost include the purchase price (including legal and brokerage fees and non-refundable purchase taxes); and applicable additional costs as (shipping and delivery; installation; other costs attributed to the asset; and an initial estimate of the costs of dismantling and moving the item and restoring the site on which it is located). If an item is revalued, the entire class of assets to which that asset belongs is revalued.

Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Fair value measurement

The best evidence of fair value is a quoted price for an identical instrument in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical instrument on their own are not a reliable estimate of fair value, fair value is estimated by using a valuation technique.

Determining the fair value of derivatives where quoted prices are not available requires estimates to be made of the future expected cash flows and derivation of an appropriate discount rate which reflects, amongst other things, the credit and funding risk of the counterparties and the profit margin required by counterparty banks to enter into derivative positions with the Group (reflecting that the Group is only able to access retail, not wholesale markets for derivative instruments) using inputs derived from observed debt and swap market transactions including the transaction price evidenced when the Group restructured its derivative financial instruments during the year.

Day one profit and loss adjustments

For derivative financial instruments, if the transaction price differs from fair value at initial recognition, the Group will account for such difference as follows:

- If fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets, then the difference is recognised as a gain or loss on initial recognition (i.e. day 1 profit and loss);
- In all other cases, the fair value will be adjusted to bring it in line with the transaction price (i.e. day 1 profit and loss will be deferred by including it in the initial carrying amount of the asset or liability).

Notes forming part of the condensed consolidated financial information for the year ended 31 December 2019 continued

1 Accounting policies continued

After initial recognition, the deferred gain or loss will be released to profit or loss such that it reaches a value of zero at the time when the transaction matures or is closed out or the entire contract can be valued using active market quotes or verifiable objective market information.

Turnover

Turnover represents the income receivable (excluding value added tax and trade discounts) in the ordinary course of business for services provided. Revenue is recognised at the point when full performance of the service is rendered to the customer. The following criteria must also be met for revenue to be recognised:

- Revenue arising from the handling and disposal of waste is recognised on receipt of the waste by the Company.
- Revenue arising on generation of electricity is recognised as the energy is exported.

2 Significant judgements and estimates

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

- Determine whether leases entered into by the Group either as a lessor or a lessee are operating leases or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis. Where a lease meets the definition of a finance lease the asset is capitalised and depreciated over its useful economic life. The liability is reduced as payments are made, with interest being charged using an effective interest rate.
- Determine whether there are indicators of impairment of the Company's tangible and intangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.
- Tangible fixed assets are depreciated over their useful lives taking into account residual value, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors.
- Intangible assets include key customer contracts which are depreciated over the length of contract. Goodwill is amortised over the useful life of the Group's primary tangible asset.
- Determine the fair value of the acquired Group's assets and liabilities by considering future cash flows up in relation to particular asset groups and using historical and industry data to determine appropriate discount rates.
- Determine which off balance sheet items can be classified as intangible assets upon acquisition of the Group.
- There is an element of judgement involved in determining whether capital expenditure fulfils the capital expenditure criteria.
- Determine the fair value of derivative financial instruments. As quoted prices are not available, the directors have been required to estimate the fair value of the Group's derivative financial instruments. The Group's current estimate of the fair value of the outstanding interest rate and RPI swap contracts as at 31 December 2019 is a liability of £69.3m. This fair value incorporates estimates of the future cash flows as well as estimates relating to the determination of an appropriate discount rate (which is applied to the estimated future forecast cash flows) that factors in the credit and funding risks of the counterparties and the estimated remaining profit margin required by counterparty banks to enter into such instruments (which is reduced over time as the remaining weighted-average notional balance of the Group's derivatives decreases) based on evidence provided by such things as the prices observed in arms' length transactions during the year when the Group restructured its derivative financial instruments. The valuation of the interest rate and RPI swap contracts at 31 December 2019 using mid-market wholesale prices excluding adjustments for credit and funding risk is a liability of £69.3m. This value is adjusted as described above to derive the fair value of the interest rate swap contracts in accordance with FRS102.
- It is assumed that the planned transition from LIBOR to SONIA under the interest benchmark reform has no impact on the cash flows under the interest rate swaps and the variable interest payments that the interest rate swaps are hedging.
- There is an element of judgement involved in determining whether the definition of the hedged item upon refinancing includes Facility B1, which has a fixed rate of interest. The hedged item is defined as being variable rate borrowings. It was determined that any borrowings which are exposed to 6-month LIBOR risk up to the point of fixing or throughout the life of the instrument are defined as a hedged item within the hedging documentation of the Company.
- There is an element of judgement involved in determining the financial forecasts and availability of cash reserves and headroom over banking covenants in the context of Covid-19.

3 Turnover

Turnover, which is stated net of value added tax, relates to the Group's principal continuing activity, which the directors consider constitutes a single class of business. The geographical origin of turnover was the United Kingdom.

4 Other income

	Year ended 31 December 2019 £'000	Period 29 May 2018 to 31 December 2018 £'000
Insurance recovery	**22,640**	5,578
Debt syndication payment	**1,428**	–
Sale of fixed assets	**39**	–

The insurance recovery income relates to monies received from the Company's insurance policy relating to lost revenues and property damage on the EfW facility's turbine. The insurance claim was settled during 2019, and a full cash recovery was made prior to the end of the year.

The debt syndication payment was recognised in the year due to a debt holder having syndicated a portion of their debt at a price higher than the agreed discount. This resulted in a rebate due to the Group.

5 Exceptional items

	Year ended 31 December 2019 £'000	Period 29 May 2018 to 31 December 2018 £'000
Other exceptional items included within operating profit:		
Acquisition costs	**–**	20,484
Refinancing advisory fees	**–**	2,229
Project development	**5,429**	2,257
	5,429	24,970

During the year the Group incurred project development costs which includes the development of the Riverside Energy Park. All costs relate to advisor fees borne by the Company.

The exceptional items in the prior year relate to professional fees incurred on the refinancing of the Group's debt, following Cory Holdco Limited's acquisition of the Group headed by Denmark Topco.

6 Employees

	Year ended 31 December 2019 £'000	Period 29 May 2018 to 31 December 2018 £'000
Staff costs consist of:		
Wages and salaries	**16,404**	7,627
Social security costs	**1,771**	951
Other pension costs	**1,460**	641
	19,635	9,219

The average number of employees during the year was as follows:

	Number	Number
Operations	**257**	252
Administration	**63**	60

Notes forming part of the condensed consolidated financial information for the year ended 31 December 2019 continued

7 Interest receivable and similar income

	Year ended 31 December 2019 £'000	Period 29 May 2018 to 31 December 2018 £'000
Interest receivable on current bank accounts, deposits and interest rate and inflation hedges	**285**	33

8 Interest payable and similar charges

	Year ended 31 December 2019 £'000	Period 29 May 2018 to 31 December 2018 £'000
Interest payable on external loans	**16,551**	8,722
Amortisation of deferred finance costs	**855**	12,618
Senior loan make-whole costs	**–**	18,849
Junior loan make-whole costs	**–**	2,937
	17,406	43,126

9 Taxation on loss from ordinary activities

	Year ended 31 December 2019 £'000	Period 29 May 2018 to 31 December 2018 £'000
UK corporation tax		
Current tax on profits for the year	**25**	–
Total current tax	**25**	–
Deferred tax		
Origination and reversal of timing differences	**1,142**	(6,688)
Adjustments in respect of prior periods	**(11,821)**	–
Total deferred tax	**(10,654)**	(6,688)
Total tax (credit) for year	**(10,654)**	(6,688)

Deferred tax rate changes arise because UK corporation tax rates reduce from 19 per cent to 17 per cent from 1 April 2020 and movements in forecast timing of reversals impact the tax rate applied. For further information on deferred tax balances refer to note 20.

9 Taxation on loss from ordinary activities continued

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

	Year ended 31 December 2019 £'000	Period 29 May 2018 to 31 December 2018 £'000
Profit (loss) on ordinary activities before tax	**3,846**	(167,619)
Taxation on profit (loss) on ordinary activities at the standard rate of corporation tax in the UK of 19.0% (2018: 19.0%)	**731**	(31,847)
Effects of:		
Fixed asset differences	**1,824**	1,511
Expenses not deductible for tax purposes	**3,256**	10,432
Income not taxable for tax purposes	**(25)**	–
Movement in respect of interest rate swaps	**(3,035)**	(590)
Recognition of deferred tax asset on swaps novated to RRRL	**(13,735)**	–
Deferred tax on interest rate hedge reserve	**1,425**	400
Changes to tax rates	**(222)**	867
Deferred tax not recognised	**(873)**	12,539
Total tax (credit) for year	**(10,654)**	(6,688)

The aggregate current and deferred tax relating to items recognised in other comprehensive income is a credit of £1,425,000 (2018: £400,000).

The main rate of UK corporation tax is 19 per cent for both accounting periods. For further information on deferred tax balances see note 20. The deferred tax not recognised relates to capitalised interest and finance costs.

10 Intangible assets

Group	Goodwill £'000	Customer contracts £'000	Total £'000
Cost or valuation			
At 1 January 2019	86,998	166,495	253,493
At 31 December 2019	**86,998**	**166,495**	**253,493**
Amortisation			
At 1 January 2019	1,279	5,862	7,141
Charge for the year	2,559	11,426	13,985
At 31 December 2019	**3,838**	**17,288**	**21,126**
Net book value			
At 31 December 2019	**83,160**	**149,207**	**232,367**
At 31 December 2018	85,719	160,633	246,352

Customer contracts are being amortised over the life of the contracts.

A review for indicators of impairment was carried out and it has been concluded that there was no indication that goodwill is impaired at the balance sheet date. There has been no further indication of impairment since the year end.

Notes forming part of the condensed consolidated financial information for the year ended 31 December 2019 continued

11 Tangible assets

Group	Freehold land and property £'000	Long leasehold £'000	Short leasehold £'000	Plant and machinery £'000	Totals £'000
Cost or valuation					
At 1 January 2019	1,244,997	3,227	73,469	173,262	1,494,955
Additions	23	199	396	5,603	6,221
Disposals	(189)	–	(27)	(466)	(682)
At 31 December 2019	**1,244,831**	**3,426**	**73,838**	**178,399**	**1,500,494**
Depreciation and impairment					
At 1 January 2019	19,296	118	2,637	6,121	28,172
Charge for the year	39,152	250	5,378	12,799	57,579
Disposals	(189)	–	(27)	(466)	(682)
At 31 December 2019	**58,259**	**368**	**7,988**	**18,454**	**85,069**
Net book value					
At 31 December 2019	**1,186,572**	**3,058**	**65,850**	**159,945**	**1,415,425**
At 31 December 2018	1,225,701	3,109	70,832	167,038	1,466,680

Company	Plant and machinery £'000
Cost	
At 1 January 2019	1
Additions	–
At 31 December 2019	**1**
Depreciation	
At 1 January 2019	–
Charge for the year	–
At 31 December 2019	**1**
Net book value	
At 31 December 2019	**1**
At 31 December 2018	1

12 Investments

At the 31 December 2019 the Company holds 100 per cent of the equity share capital of the following subsidiary companies. Denmark Topco Limited is incorporated in Jersey. All other entities are incorporated in the UK.

Company	Nature of business
Held directly	
Cory Holdco Limited	Investment holding company
Held indirectly	
Denmark Topco Limited	Investment holding company
Denmark Holdco Limited	Investment holding company
Viking Consortium Acquisition Limited	Investment holding company
Cory Environmental Holdings Limited	Investment holding company
Cory Riverside Energy Finance Limited	Investment holding company
Cory Riverside Energy Holdings Limited	Investment holding company
Cory Riverside (Holdings) Limited	Investment holding company
Riverside Energy Park Limited	Infrastructure development
Riverside Resource Recovery Limited	Waste management services
Riverside (Thames) Limited	Waste management services
Cory Environmental Limited	Waste management services
Cory Ship Repair Services Limited	Ship repair services

The results of these companies have been consolidated in the Group financial statements.

13 Stock

	Group 2019 £'000	Group 2018 £'000
Raw materials	**86**	92

The difference between purchase price or production cost of stocks and their replacement cost is not material.

14 Debtors: amounts falling due within one year

	Group 2019 £'000	Group 2018 £'000
Trade debtors	**7,394**	7,282
Amounts owed by Group undertakings	**–**	–
Other debtors	**2,403**	5,480
Corporation tax	**595**	–
Prepayments and accrued income	**11,749**	10,586
	22,141	23,348

Amounts owed by Group undertakings are unsecured with no fixed date of repayment. Interest was charged on outstanding balances at rates in the range of 0.0 per cent to 8.0 per cent during the year.

The income recognised in the period in respect of bad and doubtful trade debtors was £8,000 (2018: £9,000 expense).

Notes forming part of the condensed consolidated financial information for the year ended 31 December 2019 continued

15 Debtors: amounts falling due after one year

	Group 2019 £'000	Group 2018 £'000
Deferred tax asset (note 20)	11,790	1,929

16 Creditors: amounts falling due within one year

	Group 2019 £'000	Group 2018 £'000
Other loans (note 18)	45	44
Amounts owed to Group undertakings	–	–
Trade creditors	1,315	665
Social security and other taxes	1,748	620
Other creditors	2,943	342
Accruals and deferred income	17,032	14,417
	23,083	16,088

Amounts owed to Parent and Group undertakings are unsecured with no fixed date of repayment. Interest was charged on outstanding balances at rates at 0.0 per cent during the year.

17 Creditors: amounts falling due after more than one year

	Group 2019 £'000	Group 2018 £'000
Deferred tax liability (note 20)	177,399	179,642
Other loans (note 18)	542,415	541,559
Interest rate swaps	17,898	6,489
Inflation rate swap	51,446	87,823
	611,759	635,871

18 Loans

An analysis of the maturity of loans is given below:

	2019 £'000	2018 £'000
Amounts falling due within one year or on demand:	45	45
Amounts falling due between one and two years:	–	–
Amounts falling due between two and five years:	50,000	50,000
Amounts falling due in more than five years:	492,415	491,559
	542,460	541,604

During the prior year, the Group successfully completed a refinancing of its long-term debt facilities and hedging arrangements. A multi-tranche £553.8m senior loan was raised by Riverside Resource Recovery Limited (RRRL), a subsidiary undertaking. The funds were primarily used to settle the £502.1m of the outstanding senior debt facility, interest rate swaps and make-whole payments in RRRL and settle the £97.1m of the outstanding junior debt facility and make-whole payments held by Cory Riverside Energy Finance Limited, a subsidiary undertaking. The majority of the debt has a five-year amortisation holiday. Interest repayments are made on a six-monthly basis. The breakdown of the loans are as follows:

- £167.2m senior term A loan which expires in 2030 on which interest is charged at a rate of LIBOR + 1.4 per cent;
- £275.0m senior term B1 loan which expires in 2038 on which interest is charged at a rate of 3.6 per cent;
- £61.6m senior term B2 loan which expires in 2038 of which interest is charged at a rate of LIBOR + 1.8 per cent;
- £50.0m 5-year capital expenditure facility which expires in 2023 of which interest is charged at a rate of LIBOR + 1.4 per cent.

19 Share capital

	Allotted, called up and fully paid			
	2019 Number	2018 Number	2019 £'000	2018 £'000
'A' Ordinary shares of £0.01 each	1,114,909,466	1,114,909,466	11,149	11,149

20 Deferred taxation

a) Deferred taxation provision

	2019 £'000	2018 £'000
Deferred tax liability acquired on acquisition of Denmark Topco Limited group	179,642	198,223
Charged/(credited) to income statement	(2,243)	(18,581)
Deferred tax provision at end of year	177,399	179,642

The deferred tax provision is made up of the following:

	2019 £'000	2018 £'000
Capital gains on revalued assets	189,419	197,566
Other timing differences	(12,020)	(17,924)
	177,399	179,642

b) Deferred tax asset falling due after more than one year

	2019 £'000	2018 £'000
Deferred tax asset on acquisition of Denmark Topco Limited group	1,929	13,422
(Charged)/credited to other comprehensive income	(1,425)	400
Credited/(charged) to income statement	11,286	(11,893)
Deferred tax asset at end of year	11,790	1,929

The deferred tax asset is made up of the following:

	2019 £'000	2018 £'000
Deferred tax on interest rate swap	3,044	662
Deferred tax on inflation rate swap	8,746	1,267
	11,790	1,929

21 Ultimate parent undertaking and controlling party

Following the acquisition, the governance of the Group has changed. The reserved matters in the shareholders agreement, and the current ownership of the Group mean that there is no ultimate controlling party.

Cory Topco Limited is the parent undertaking of the largest group of which the Company is a member for which Group financial statements are prepared.

22 Post balance sheet events

Following the end of the financial year the UK has been affected by the Covid-19 pandemic. Measures to control the spread of Covid-19 in the UK and around the globe have been implemented, which are expected to have profound economic implications. The Group has reviewed its financial forecasts and considered the availability of cash reserves and headroom over banking covenants in the light of Covid-19, refer to note 1. Having carried out this review the directors are able to conclude that the Business is robust even in the face of a significant and prolonged financial shock.

The Group paid a post year end interim dividend of £21m in January 2020.

Deferred tax was calculated at a UK corporation tax rate of 17 per cent at 31 December 2019. The expected future UK corporation tax rate change will result in an increase in the net deferred tax liability from £165.6m to £185.1m.

Notes forming part of the condensed consolidated financial information for the year ended 31 December 2019 continued

23 Reconciliation of underlying EBITDA and underlying revenue

Underlying EBITDA reconciliation	2019 £'000	2018 Total £'000	Period 29 May 2018 to 31 December 2018 £'000	Period 1 January 2018 to 28 May 2018 (unaudited) £'000
Operating profit	**(10,199)**	(14,520)	(33,010)	18,490
Depreciation	**57,579**	41,655	28,172	13,483
Amortisation of intangibles and goodwill	**13,985**	7,141	7,141	–
Exceptional costs:				
Acquisition costs	**–**	21,175	20,483	692
Project costs	**5,429**	3,440	2,257	1,183
Other exceptional costs	**–**	2,229	2,229	–
	66,794	61,121	27,272	33,849

Underlying revenue reconciliation	2019 £'000	2018 £'000	Period 29 May 2018 to 31 December 2018 £'000	Period 1 January 2018 to 28 May 2018 (unaudited) £'000
Turnover	**115,422**	118,017	54,956	63,061
Insurance recovery	**22,640**	5,578	5,578	–
	138,062	123,595	60,534	63,061

CREDITS
We would like to thank the employees of Cory Riverside Energy and thanks to Emperor Design for helping to produce this report.
We welcome feedback on this report, please email info@coryenergy.com with your comments.

LEGAL STATEMENT
'Cory Riverside Energy' is the trading name for each of the Cory Riverside Energy Group of companies comprising Cory Topco Limited (Registered company number 11385842) and its subsidiaries, including:

- Cory Environmental Holdings Limited (Registered company number 5360864)
- Riverside Resource Recovery Limited (Registered company number 3723386)
- Riverside (Thames) Limited (Registered company number 6427503)
- Cory Environmental Limited (Registered company number 49722)
- Cory Ship Repair Services Limited (Registered company number 4087659)
- Riverside Energy Park Limited (Registered company number 11536739)

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THANK YOU NHS

RIVERSIDE STORIES

Cory thanks key workers

At Cory we showed our appreciation for the NHS and the other key workers whose work was essential for getting us through the Covid-19 pandemic. To mark this, we placed a banner on one of the barges in our fleet as it continued to transport London's waste up the Thames.

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CORY
RIVERSIDE ENERGY

Published in the United Kingdom: July 2020.

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