



# **WRITTEN SUMMARY OF THE APPLICANT'S ORAL SUBMISSION AT COMPULSORY ACQUISITION HEARING 1 (CAH1) AND APPENDICES: 9.9**

## **Cory Decarbonisation Project**

PINS Reference: EN010128

**November 2024**

Revision A

**DECARBONISATION**

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## 1. INTRODUCTION

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- 1.1 This note summarises the oral submissions made by the Applicant at Compulsory Acquisition Hearing 1 held on 7 November 2024 in relation to the Applicant's application for development consent for the Cory Decarbonisation Project ("the Proposed Scheme").
- 1.2 Where the Examining Authority (the "ExA") requested further information from the Applicant on specified matters (including in its published Action Points), or the Applicant undertook to provide further information during the course of CAH1, that further information is either set out in this.
- 1.3 This note does not purport to summarise the oral submissions of other parties, and summaries of submissions made by other parties are only included where necessary to give context to the Applicant's submissions, or where the Applicant agreed with the submission(s) made and so made no further submissions (this is noted within the document where relevant).
- 1.4 The structure of this note follows the order of the items listed in the detailed agenda for CAH1, focussing on the items where substantive submissions were made by the Applicant.

## 2. SUMMARY OF APPLICANT'S ORAL SUBMISSIONS AT CAH1

Agenda Item	Applicant's Response
<b>2. General Case</b>	
<p><b>2.1 The Applicant is asked to briefly outline the case for CA and temporary possession (TP) and whether they meet the tests of the PS 2008 including in terms of whether:</b></p> <ul style="list-style-type: none"> <li><b>all reasonable alternatives have been considered, including with particular reference to alternatives including the East Zone option; and</b></li> <li><b>the rights to be required are reasonably necessary and proportionate. In particular, the justification for CA</b></li> </ul>	<p>Miss Rebecca Clutten, Counsel, on behalf of the Applicant, provided a brief overview of the case for compulsory acquisition (CA) and temporary possession (TP). She explained that:</p> <ul style="list-style-type: none"> <li>The Applicant is satisfied that the powers of CA and TP included within the draft DCO are necessary, proportionate and justified and further considers that the powers sought are in accordance with the relevant statutory provisions and policy guidance.</li> <li>The case that the Applicant has made in relation to these powers is principally set out in four documents: the Statement of Reasons (APP-020), the Project Benefits Report (APP-042), the Planning Statement (APP-040) and the Funding Statement (APP-021). That is also supported by the Land Plans (AS-052), the Book of Reference (AS-058), the Schedule of Negotiations and Powers Sought (AS-018) and the Land Rights Tracker (PDA-012).</li> <li>In terms of the specific statutory tests, section 122 provides an order granting development consent can only include CA powers if the Secretary of State (SoS) is satisfied (1) that those powers are required to facilitate the land required for the development or incidental to the development or providing replacement land and (2) that there is a compelling case in the public interest for the land to be compulsorily acquired. The DCLG Planning Act 2008: Guidance related to procedures on compulsory acquisition also sets out the considerations that the Secretary of State ('SoS') and the Examining Authority need to take into account when considering whether there is a compelling case, and, as already foreshadowed in the ExA's questions, that includes whether there are any reasonable alternatives to CA and whether the land that is being sought is what is reasonably required for the purposes that it is being acquired. Miss Clutten confirmed, in response to a question from the ExA, that no 'replacement land' is proposed as part of the Proposed Scheme.</li> </ul>

<p><b>of parts of the Thames Path and bearing in mind that the CNR is already managed in accordance with a Management Strategy that the Applicant intends to follow, the reasoning for acquiring the remainder of the CNR and adjacent land not affected by the CCF footprint and flue gas route, and what alternatives to CA have been explored.</b></p>	<ul style="list-style-type: none"> <li>• In relation to limb 1, the Applicant considers this provision to be satisfied. The Schedule of Negotiations and Powers Sought and the Land Rights Tracker both set out the details of the purpose for which the CA and TP powers are sought, relating primarily to the land required for the Carbon Capture Facility, the Mitigation and Enhancement Area, the Proposed Jetty, Modifications and Interconnections to Riverside 1 and Riverside 2, the LCO2 Piping and Utilities Connection and the Utilities Connections and Site Access Works corridor that is required.</li> <li>• In addition to the information in the Schedule of Negotiations and Powers Sought and the Lands Rights Tracker, Schedules 8 and 10 of the draft DCO (AS-056) set out the rights and restrictive covenants being sought and the reasons why temporary possession powers are sought over temporary possession only plots.</li> <li>• The Applicant's view is that the land included within the Order limits is no more than it reasonably considers is required at this stage of design development. Miss Clutten noted that the Applicant is conscious that the scale of land take sought in relation to the Carbon Capture Facility, is of particular concern to Affected Persons. She highlighted that, as was discussed at ISH1 and further set out in the Applicants Response to Relevant Representations (AS-043), the Carbon Capture Facility is land hungry with a need to ensure that adequate space and land is acquired to deliver all of the essential facilities that make up the facility.</li> <li>• In relation to limb 2, the compelling case, the Applicant considers this is made out. Starting with the national significance of the Proposed Scheme recognised by the SoS through the section 35 direction, the numerous benefits and the public interest in the Proposed Scheme being able to proceed is set out in the documents referred to earlier (Statement of Reasons and the Project Benefits Report).</li> </ul> <p><u>Reasonable Alternatives</u></p> <ul style="list-style-type: none"> <li>• In terms of alternatives to CA, Miss Rebecca Clutten confirmed that the Applicant has carefully considered whether there are alternatives. This is in the context, that, as identified in the Terrestrial Site Alternatives Report (APP-125) ('TSAR') there is no option available to develop the Proposed Scheme that would not involve the acquisition of third-party land. The</li> </ul>
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	<p>Applicant has and continues to seek to achieve a negotiated position with those parties from whom land and rights are required so that the use of CA powers can be avoided where possible.</p> <ul style="list-style-type: none"> <li>• In terms of the land selected to acquire for CA to deliver the project, the Examining Authority heard extensively at ISH1 the alternatives and the approach set out in the TSAR and its Addendum (AS-044 Appendix H), and the Applicant has sought to explain how it has balanced a number of factors, including the need to minimise third party land take in determining which sites to select. This included detailed consideration of both alternative layouts in the South Zone, and also the East Zone. Please see the Written Summary of Oral Submissions at ISH1 for further discussion on East Zone considerations.</li> <li>• Miss Clutten highlighted that it is important to note that South Zone 1, the option that has been selected by the Applicant, involves the least CA of third-party land because it includes development that is on land that is already in control of Cory Companies, the Borax land to the northern end of the site.</li> </ul> <p>Post Hearing Note: The Applicant confirms that Borax North and South (owned by RRRL and currently leased to REPL, both of which are companies within the Cory group along with the Applicant) contribute some 2.3 ha of the 8ha required (nearly 30%) for the Carbon Capture Facility. In addition, the Applicant currently leases some 1.8ha across the Gannon and Creek Side land parcels.</p> <ul style="list-style-type: none"> <li>• The principal land acquisition in the south or that which has generated the greatest level of concern is that in relation to the Munster Joinery/Landsul Land. The Applicant's rationale for taking that land and the view that it cannot deliver the project without acquisition of that land parcel in full was discussed in detail in ISH1, building on its submissions in the Statement of Reasons and Response to Relevant Representations. Miss Clutten acknowledged that this is a position that is in dispute with the landowners of this land, and that difference is one that is going to be explored in evidence in due course.</li> <li>• Having considered those alternatives, there are no other known impediments to the delivery of the Scheme and that includes the availability of funding (addressed later in this Agenda).</li> </ul>
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	<ul style="list-style-type: none"> <li>Miss Clutten concluded that, in light of the above, it is clear that the Applicant satisfies both limbs of the statutory test and the policy tests that arise in relation to CA.</li> </ul> <p><b><u>Justification for CA of Specific Land</u></b></p> <p><u>Thames Path</u></p> <p>Miss Clutten explained that compulsory acquisition powers are sought over the Thames Path (plots 1-113A, part of 1-105, 1-103 and 1-101) for the following reasons:</p> <ul style="list-style-type: none"> <li>All of these plots fall within the limits of deviation for the Proposed Jetty. The Proposed Jetty is not yet designed in detail. The scale and size of the Proposed Jetty, the number of stanchions and the position of those stanchions are all matters that are to be determined depending on a number of factors, including whether the existing Belvedere Jetty is to be retained or demolished, and how the Proposed Jetty interacts with Riverside 1 (for example, if vehicles will be required to access the jetty, which would require the Proposed Jetty to be built 'into' Riverside 1 (and the road network within that building). The Applicant has therefore sought to retain appropriate flexibility to ensure that a safe and suitable jetty can be constructed within those limits of deviation. This is a normal and well-trodden route for DCO projects which are rarely designed in detail at the consenting stage.</li> <li>Whilst it is acknowledged that there is no proposal to place stanchions on the Thames Path, the Applicant has sought to acquire freehold of all of the land within that area firstly to ensure sufficient powers are able to be imposed to ensure that the jetty can be delivered in terms of its footprint on the ground and at height, and also to ensure that all the land required for the Proposed Jetty is in principle in a single ownership for operational efficiency and certainty. In terms of the Order, the Applicant has sought to adopt a consistent position in relation to that which is required or may be required for the Proposed Jetty.</li> <li>In response to questions from the ExA, Miss Clutten acknowledged that whilst it may be the case that ultimately a 'flying freehold' could be taken with protective rights below to prevent interference with the structure, given the design of the Proposed Jetty may involve</li> </ul>
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	<p>stanchions either side of the Thames Path, the exact powers that may be needed are still not known at this stage.</p> <ul style="list-style-type: none"> <li>• <i>Post Hearing Note following questions at the Hearing: In relation to the Middleton Jetty, it is noted that the land ownership position over the Thames Path is as follows: Full freehold ownership of the Thames Path land (including the airspace above it where the Middleton Jetty is located) around the Middleton Jetty (plots 1-112 and 1-109 on the Land Plans) is held by Cory entities: Riverside Resource Recovery Limited and Riverside Energy Park Limited for plot 1-112, and Riverside Resource Recovery Limited for plot 1-109.</i></li> <li>• In practice, CA will be minimised because the Applicant will only vest the land that it actually requires for the delivery of the final jetty design. The DCO is structured to enable lesser powers to be used initially (temporary possession) to construct works, prior to CA powers then being utilised to reflect what is actually built.</li> </ul> <p><i>Post Hearing Note and in response to Action Points viii and ix: At the Hearing, Miss Clutten went on to say that the CA powers would also be minimised due to the Protective Provisions applying to these plots, noting that although the title is unregistered, it was assumed that PLA owned all but plot 01-105. Following discussions at the Hearing and post-Hearing investigations it is clear that PLA do not own the land in question. The Book of Reference has therefore been updated to identify the plot as unknown, unregistered (with LBB recognised in their role as highways authority in respect of the Thames Path).</i></p> <p><i>This is of further concern to the Applicant because this means that it would not be able to fully register rights, if those were the only powers available to it – the most it could register is a charge. Given the cruciality of the Proposed Jetty to the overall Proposed Scheme, the Applicant considers this to be an unpalatable position.</i></p> <p><i>As evidenced by the position for Middleton Jetty described above, it has clearly been determined in the past that it was appropriate for Cory entities to hold freehold ownership of the Thames Path in and around its assets, and the Applicant sees no reason why the same shouldn't be able to be the case for the Proposed Scheme.</i></p>
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	<p><i>The Applicant also notes that with the land now being considered as unknown, unregistered, that there would be limited third party prejudice caused by the use of compulsory acquisition powers over these plots.</i></p> <p><i>Separately, the Applicant also notes that in any event at this stage, it would not be possible to provide for these plots to be subject to a flying freehold. This is because, in order to do so, the Applicant would be required to establish the starting height from which acquisition could be said to be required above, and rights required below. This was the approach taken on schemes such as the Lake Lothing Third Crossing and Great Yarmouth Third Crossing (and is comparable to the approach taken below ground to subsoil acquisition in schemes such as A303 Stonehenge and Silvertown Tunnel). At this stage in design, the Applicant is not able to do this, as that 'starting height' within those specific plots will be influenced by the design of the rest of the Proposed Jetty (including the locations of the stanchions). Whilst Schedule 16 of the draft DCO provides parameters for the start of the structure, and the loading platform at the end, it is not able to do so for the rest of the structure. Attempting to do so now would impose on the flexibility required to construct the Jetty at an unreasonably early stage, given the standard DCO approach to flexibility.</i></p> <p><i>For these reasons, the Applicant continues to propose use of CA powers over these plots.</i></p> <p>Following on from this discussion, Miss Melissa Murphy KC on behalf of WRWA requested justification for the inclusion of Middleton Jetty (Plot 02-05) within the Land Plans</p> <ul style="list-style-type: none"> <li>• Mr Matthew Fox, Senior Associate at Pinsent Masons LLP, on behalf of the Applicant, confirmed that Plot 02-05 and the other yellow plots within the river on the Land Plans, have been include allow for flexibility in the construction of the Proposed Jetty next door. Middleton Jetty is used as an operational jetty for Riverside 1 and in due course, Riverside 2, but has been included to allow for flexibility in construction as the Applicant may need to utilise the Middleton Jetty. The Proposed Scheme is a separate project, so powers are needed in this DCO to ensure that this can happen.</li> <li>• In response to a question from the ExA, Mr Matthew Fox confirmed that it is only TP powers that are sought, adding that the plot is the subject of a river works licence to RRRL and REPL, which are the entity which operate Riverside 1, and will operate Riverside 2, respectively. Both parties have controls in their Protective Provisions which means that any</li> </ul>
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	<p>of the land powers, including TP, cannot operate without their consent. Anything done in relation to that Plot would therefore be done in conjunction with those two entities.</p> <p><u>Crossness Local Nature Reserve</u></p> <p>Miss Rebecca Clutten, on behalf of the Applicant continued:</p> <ul style="list-style-type: none"> <li>Any discussion on this land needs to be seen in the context that a key part of the Applicant's case is that the Outline LaBARDS (APP-129) will replace the existing Management Plan provision for Crossness LNR and build upon it. The existing Management Plan is a starting point but not the end point, the Applicant is going to produce something bigger and better.</li> <li>CA is reasonably necessary to achieve those aims for three reasons. First of all, the Applicant needs to be able to demonstrate to the SoS that the Outline LaBARDS proposals are in fact deliverable and that they are able to deliver the consolidated expanded local nature reserve that is proposed. The Applicant is looking to achieve a negotiated position with Thames Water but in the absence of that the CA powers are required to ensure delivery. Secondly, the Applicant's view is that the CA of rights over that land would not stop Thames Water doing something inconsistent or different with the Outline LaBARDS and so in those circumstances, the Applicant would need to impose restrictive covenants across the entirety of that area which would effectively prevent Thames Water doing anything with the land. The Applicant considers that this position is de facto akin to acquisition in any event - you would be taking away so much of what they could actually do with the land that it would render what rights they have remaining essentially nugatory. Thirdly, it is not legally possible for the Applicant to CA positive covenants requiring Thames Water to look after the land in the way it wishes it to be looked after in accordance with the Outline LaBARDS. The combination of those three factors is why the Applicant says that CA is necessary in relation to the Crossness Local Nature Reserve.</li> <li>The position is different in relation to the 'Members' Area' behind Thames Water operational fence line. The Applicant does want this area to be managed as part of a consolidated nature reserve, but recognises Thames Water may take a different position in relation to that, given it lies within their operational land. The benefits relied on in terms of the expanded local nature reserve do not therefore rely upon that. If the Applicant can reach agreement with</li> </ul>
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	<p>Thames Water such that the land through the section 106 Agreement can be managed in the same way as the rest of the land set out in the Outline LaBARDS then that would be good, but if not the Applicant will amend the draft DCO and related control documents to exclude the abrogation of the existing section 106 obligations from the Members' Area and re-draft the Outline LaBARDS to mention working with Thames Water to manage consistently. It is not critical to our proposal.</p> <p>In response to a question from the ExA as to why TP could not be used to deliver the proposed LaBARDS works and then TWUL left to manage the land in accordance with the Crossness LNR as they currently do, Miss Clutten responded as follows:</p> <ul style="list-style-type: none"> <li>• The key principle is that whilst using TP powers means you could deliver the works, if you can't then manage them in accordance with the LaBARDS, then the Applicant would only have complied with part of what will be required by the DCO (noting that its starting point is that the existing Management Plan is removed, as the LaBARDS proposals go above and beyond what the Crossness LNR currently provides). The on-going management of the LaBARDS proposals will be a requirement of them, and a key to their success.</li> <li>• This is important in the context that ultimately, the Applicant cannot force Thames Water to enter into an agreement. The Applicant can't impose positive covenants on them. There is no mechanism by which the Applicant can require the existing landowner to do something they do not want to do with that land. That being so, the Applicant has to have sufficient powers over that land in order to deliver it itself. As discussed above, the Applicant has explained why they can't just take the rights because that would leave a position where Thames Water could do something that was inconsistent with the management measures required, and the Applicant would have to impose extensive restrictive covenants over the entirety of that site which is de facto acquisition in any event.</li> <li>• Furthermore, in response to a follow up question from the ExA, Miss Clutten confirmed that the DCO would require the management measures to be delivered. In that context, if Thames Water retained ownership but didn't manage the land in accordance with those management requirements, the Applicant would be left in the position where it is legally responsible for that failure, and therefore subject to enforcement proceedings and consequential criminal</li> </ul>
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	<p>liability. As such, the Applicant cannot be in a position where it is not able to control the behaviour of a third party and would be exposed to those sorts of enforcement proceedings.</p> <p>In response to Miss Harriet Ramsey, on behalf of Thames Water, indicating that the Applicant had put to it an 'Easement Agreement' in relation to this land, Miss Clutten confirmed that this was a commercial without prejudice offer made on voluntary matters, that was not a matter for this Hearing. As indicated previously, the Applicant is willing to enter into an Agreement in respect of this land, that may involve Thames Water accepting an easement + restrictive covenant position, but unless and until that position is accepted, it needs to ensure it has the appropriate powers to deliver and manage its LaBARDS commitments.</p> <p>In response to Mr Pinnington, on behalf of Thames Water, asking a question in relation to the nature of the rights being sought for the flue gas duct work Miss Clutten confirmed that on the Land Plans, the Applicant has sought to acquire only rights in relation to the gas flue ductwork as the land below the ductwork would not be required permanently. However, in their Relevant Representation, Thames Water requested that the Applicant acquire the freehold voluntarily. The Applicant is open to this and that has been communicated to Thames Water. As such, it is a matter that needs to be resolved by agreement between the parties.</p> <p>At the Hearings, there then followed discussion on three points raised by Mr Richard Turney KC, on behalf of Munster Joinery/Landsul, and with following questions by the ExA:</p> <ul style="list-style-type: none"> <li>• whether the Applicant could simply have looked to vary existing section 106 agreements for the site instead of imposing CA powers;</li> <li>• that the Applicant should have considered imposing a restrictive covenant and varying section 106 Agreements, and not just relying on the 'easier' route of seeking CA powers; and</li> <li>• in light of the legal tests for CA, what the relevance is of considering that the CA of rights and restrictive covenants in this instance could be considered 'de-facto' acquisition.</li> </ul> <p>This discussion took place in the context of the discussion at ISH1 in relation to the status of the existing section 106 Agreement relating to the Crossness LNR and the recent discovery of a section 106 Agreement for Norman Road Field, and the Applicant's proposals for the relevant clauses of</p>
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those Agreements to be abrogated and replaced with the DCO, LaBARDS and Deed of Obligation. Please see the Written Summary of Oral Submissions at ISH1, which includes an Appendix setting out the complex planning history of Norman Road Field.

The Applicant can confirm that the answers given by Miss Clutten at the Hearing, as summarised below, and the Post Hearing Notes contained within this document, reflect the Applicant's thinking in preparing the DCO application, albeit it is not set out in writing in the Statement of Reasons. This document therefore sets out the Applicant's thinking on these matters and also constitute the Applicant's response to Action Point x.

At the Hearing, in response to these points, Miss Clutten noted that:

- There is no issue with the Applicant's methodological approach here. The Applicant has considered options and alternatives to CA. It is right that existing agreements can be modified but the situation here is that not only are there are multiple agreements to be dealt with as part of delivering the LaBARDS proposals, but crucially that the Applicant is not just modifying what is under those Agreements but also seeking to ensure that additional mitigation over and above the requirements of those agreements is secured. As such, the cleanest and most appropriate way is to take the 'clean-slate' approach to deliver on the Proposed Scheme commitments through a single composite approach to the delivery of ecological outcomes based on the Outline LaBARDS.
- Crucially, the Applicant is not taking the CA approach because it is easier, but because it believes it is necessary to ensure delivery and enforcement all of the mitigation and enhancement proposed. As noted above, it is important in this context that you cannot enforce a positive covenant over Thames Water using compulsory powers.
- Furthermore, the Applicant does consider that there is a principle ('the Principle') that where you are changing the nature of what the party can do with their land to such a degree that it effectively deprives them of the ordinary incidence of that land then it is appropriate to compulsory acquire in those circumstances (which is the relevance of the 'de-facto' statement made previously) – this is the case here if the Applicant sought to impose a rights plus restrictive covenants combination.

- The Applicant's case for CA powers does not rely solely on this latter point. As previously explained, the CA powers are necessary in order to deliver a single comprehensive approach to land management, rather than having parts of amended agreements. It is not just that it is de facto, that is an additional practical aspect, but the ExA can be satisfied that CA is necessary because the Applicant needs to ensure a clean slate to deliver not only what has gone before, but what are proposing now and into the future.

*Post Hearing Note: Building on Miss Clutten's submissions at the Hearing, the Applicant makes the following additional points:*

- *It should be noted that whilst Thames Water's land that is subject to compulsory acquisition is currently part of the Crossness LNR, as landowner, there is nothing in property terms preventing TWUL from wishing to develop that land for development in the future. The loss of the LNR for any such development would need to be weighed up in the planning balance. As such, any consideration of the impact of CA powers needs to be seen in the context of whether or not any other powers would prejudice the ability of Thames Water to enjoy and exploit its land (e.g. through restrictive covenants preventing any other use/removal of works or non-compliance with the DCO, or through being a breach of rights imposed for the benefit of the Applicant), in general terms, not just in the context of its current use as part of Crossness LNR.*
- *The Principle therefore needs to be seen in that context. By way of examples of the Principle in action, the Applicant notes:*
  - *DfT Circular 02/97, which applies to CPOs under the Highways Act, where at paragraph 72 it is noted that: 'However, it is emphasised that the Department does not envisage that [rights] powers can be used by highway authorities in cases where the land will form part of the highway or proposed highway or where the works they wish to carry out will, to all intents and purposes, deprive the landowner permanently of beneficial use of the land in such cases full title to the land would be appropriate'; and*
  - *the MCHLG Guidance on compulsory purchase and compensation, which reflects the generally accepted principle that landowners can serve a notice for material*



	<p><i>detriment, requiring a promoter to acquire more land or rights than the land or rights originally proposed, where the part of the land an affected party retains will be <u>'less useful or less valuable in some significant degree'</u>. This establishes the principle that it is recognised that this is possible and there should be remedy for it, implying that full CA would have been an appropriate approach in the first place.</i></p> <ul style="list-style-type: none"> <li>• <i>The Applicant considered and dismissed the option of simply seeking to varying Agreements plus imposing restrictive covenants for the following reasons:</i> <ul style="list-style-type: none"> <li>○ <i>simply abrogating existing management measures would only have the effect of removing existing obligations on third parties but would not create new obligations for third parties to comply with the Outline LaBARDS;</i></li> <li>○ <i>to enable this outcome to be achieved, the Applicant would in the alternative have to seek to use the DCO to vary the existing section 106 obligations, to replace them with an obligation to comply with the LaBARDS. This would have the effect on imposing new planning obligations on a third party, which the Applicant considers is not appropriate as:</i> <ul style="list-style-type: none"> <li>▪ <i>the third parties affected would be having new obligations imposed on them which they have not otherwise asked for, so would essentially be akin to a positive covenant in property terms; and</i></li> <li>▪ <i>the Applicant would still not be in control of compliance with the LaBARDS if the third parties decided not to comply with these replacement obligations – there is no guarantee that the LPA would seek to enforce for breach of a revised section 106 obligation, rather than against the Applicant for breach of the LaBARDS; and</i></li> </ul> </li> <li>○ <i>this could not be solved by imposing restrictive covenants in addition to varying section 106 obligations, as that would have the effect of only preventing the third parties from undertaking activities which breach the LaBARDS requirements but could not require them to proactively undertake measures to comply with them.</i></li> </ul> </li> </ul>
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## WRWA

In response to questions from Miss Melissa Murphy KC, on behalf of WRWA, querying the extent of land take of plots 1-105 and 1-096 (subject to CA powers), the need for CA of rights in plot 1-086 and the extent of the provision set out in the Land Plans for blue plots to also provide for the extinguishment of private rights, Miss Clutten and Mr Fox responded as follows (and this response also deals with Action Point viii in respect of WRWA's plots):

- Plots 1-105 and 1-096 are reflective of the limits of deviation of the Proposed Jetty and the need for flexibility to account for its detailed design, including the precise location of stanchions, which are likely to be located within these plots. As discussed above, the design of the jetty itself is dependent on factors that are yet unknown, including whether the existing Belvedere Power Station Jetty (disused) will remain or be demolished.
- In particular, the interaction with Riverside 1 is a potentially complex matter. For example, it may be that the Applicant has to actually connect directly into the Riverside 1 facility if third party stakeholders (such as HSE) suggest that the Proposed Jetty needs to include for vehicular access along the jetty - the only way to do that would be to connect through the road network which exists inside Riverside 1. Furthermore, the Applicant may also need a set of stairs to get from the ground up to the Proposed Jetty somewhere within these plots. The need for flexibility within these plots is therefore about the detailed design and operational requirements of the Proposed Jetty.
- As noted in a response to the ExA, this issue is different from those discussed in ISH1 in relation to flue gas ductwork and LCO2 pipework not being able to be located within the main Riverside 1/Riverside 2 area due to there being insufficient space. This remains the case, and in relation to the Proposed Jetty, it is the LCO2 pipework that is key. Whether or not the Access Trestle for the Proposed Jetty goes inside of Riverside 1 or not, the LCO2 pipework still need to go around Riverside 1 to connect to the Proposed Jetty, as the LCO2 is coming from the Carbon Capture Plant part of the Proposed Scheme, and so still needs to go around Riverside 1 to get to the Proposed Jetty, as it extends from Riverside 1 into the river.
- All of this should be seen in the context of the DCO's approach to the 'layering' of land powers, as noted above. The Land Plans show the most extensive powers that could be



	<p>sought in any given plot. However, the DCO allows for the Applicant to first take TP over land initially to construct the scheme, and then use CA powers to only vest the area of land that is actually required for the delivery of the final design (in this case of the Proposed Jetty) once that is known. As such, flexibility is needed but the final full land acquisition is likely to be of a smaller area than that which is shown on the Land Plans.</p> <ul style="list-style-type: none"> <li>Plot 1-086 is required to account for the connections between Riverside 1 and the Proposed Scheme. This includes the Proposed Jetty as discussed above, but also to account for the need for flue gas connections with the existing facility. Detailed design has not yet been undertaken for these connections and how exactly they will be connected into the facility. As such this plot incorporates the whole of Riverside 1 to allow for that detailed design process to play out. These powers are subject to the Protective Provisions for the benefit of RRRL contained within the Order, who are the operators of Riverside 1.</li> </ul> <p><i>Post Hearing Note: In response to Miss Murphy's final point (as Miss Clutten indicated that the Applicant would take this away at the Hearing), the Applicant can confirm that RRRL and WRWA's private contractual rights are excluded from the ambit of the relevant DCO power (article 30) – see article 30(6)(b).</i></p> <p>In relation to queries from WRWA and the ExA in terms of the status of negotiations with WRWA, Miss Clutten and Mr Fox noted that:</p> <ul style="list-style-type: none"> <li>The Applicant has been seeking to engage on this for well over a year. The Applicant has conducted three site visits with WRWA and their legal team to both explain the Protective Provisions, the potential interactions and the workings of the DCO. In particular, it has been noted to WRWA that as operator of Riverside 1, the interests of RRRL are aligned with WRWA – ultimately, to ensure that the operations of Riverside 1 are not negatively affected by the Proposed Scheme. This is provided for in the DCO through the RRRL Protective Provisions which provide for RRRL consent to the use of land and works powers in the DCO. This mirrors the approach on the Riverside 2 DCO.</li> <li>In relation to the duty on WRWA to deal with waste, the Applicant notes that the WRWA is made up of four local authorities, some of whom have declared climate emergencies, each of whom will have policies relating to the decarbonisation to addressing climate change, and</li> </ul>
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	<p>all of whom are also subject to the London Plan obligations in relation to addressing climate change. The Proposed Scheme will deliver decarbonisation and assist these local authorities in meeting their climate change obligations.</p> <ul style="list-style-type: none"> <li>The principle of this scheme, decarbonisation of waste, is therefore fundamental to both the Applicant and WRWA, and both parties' objectives therefore support one another. In the Applicant's view, there has been no shortage of engagement between the Parties, it is just a matter of those negotiations continuing.</li> </ul>
<p><b>.2 The Applicant is asked to provide a brief review of human rights and equality considerations, including any considerations pertinent to any particular status of the graziers who use part of the Order Land</b></p>	<p>The Applicant's general position in respect of human rights and equalities is set out in the Statement of Reasons.</p> <p>At the Hearing, in response to the ExA's queries about how the Applicant has ensured there are no adverse effects from an equalities and human rights perspective to the parties who graze horses within the Mitigation and Enhancement Area, Miss Clutten noted the following:</p> <ul style="list-style-type: none"> <li>The Applicant is now aware of recent suggestions that at least one of the current graziers have protected characteristics - this is a matter that the Applicant takes very seriously. The Applicant is in liaison with both of those parties and has been having direct contact with them from the pre-application period, and continues to do so, seeking to ensure that both parties have sufficient information about the Proposed Scheme and the implications upon them in an as accessible form as possible, and both parties have a direct form of contact with the Applicant's team.</li> <li>The Applicant is looking to work closely with the graziers to ensure that any effect on them in terms of their grazing are minimised or avoided. In the TP period the outline CoCP (AS-038) confirms our commitment to work with them during construction to manage the temporary impacts. In relation to the permanent position, one of those parties will have ultimately no loss of the level of grazing space that they enjoy now, and the space will be in a better position. In relation to the other grazier, they will lose some space on a permanent basis but they will still have enough space to keep their stallions separate from the rest of their horses which is a concern for this party. Their existing grazing licence has presented</li> </ul>

	<p>them with some issues, for example, they don't have running water or electricity, so the Applicant is looking to address these issues in its permanent re-provision.</p> <ul style="list-style-type: none"> <li>• The Applicant is satisfied that as a consequence of the measures included in the outline CoCP and the Outline LaBARDS, neither of those parties will suffer any differential or disproportionate impacts as a consequence of their having protected characteristics.</li> <li>• The Applicant is seeking to work with the graziers to achieve the matters they have indicated. Whilst the Applicant is likely to become the landlord to these graziers and there may be some practical changes for these graziers (e.g. one will have reduced land take), ultimately they will be able to continue grazing the land, and the Applicant is going to look to keep them in the same or a better position than they are now.</li> <li>• To provide further surety to this, the Applicant has updated the Outline LaBARDS at Deadline 1 to add further detail on meeting the graziers' requirements, building on the information already in that document on this matter. Compliance with this is secured through DCO Requirement.</li> </ul> <p><i>Post Hearing note: The Applicant has, in Appendix A to this document, set out information to enable the SoS to carry out an Equalities Impact Assessment in relation to the Proposed Scheme in due course. This builds on the information already presented in ES Chapter 14: Population and Human Health (APP-063)</i></p>
<p><b>2.3 The Applicant is asked to provide a brief update on the progress of negotiations and deadlines for their conclusions</b></p>	<p>Mr Stuart Cooper, Director at Ardent, on behalf of the Applicant, provided a brief overview of the progress of negotiations with the various parties as follows:</p> <ul style="list-style-type: none"> <li>• <b>Thames Water</b> – the Applicant has provided Heads of Terms with an offer to acquire the land and rights required for the Proposed Scheme. Thames Water has provided initial comments and the parties have met to discuss the terms and intend to continue discussions with a view to reaching agreement on a voluntary acquisition as soon as possible. The parties have agreed an undertaking for the same.</li> <li>• <b>Creek Side Developments (UK) Limited and Mr Seamus Gannon</b> – (both own plots along the Western Side of Norman Road), negotiations have been continuing for 1 year</li> </ul>

	<p>and 7 months, the Applicant has provided Heads of Terms with an offer to acquire the land and rights required for the Proposed Scheme and awaits a response.</p> <ul style="list-style-type: none"> <li>• <b>Landsul Limited and Munster Joinery</b> – the Applicant has provided Heads of Terms with an offer to acquire the land and rights required for the Proposed Scheme, however Landsul (via its solicitor) has confirmed it has no interest in the Heads of Terms provided and does not intend to sell its property voluntarily to the Applicant.</li> <li>• <b>Peabody Land Limited and Tilfen Land Limited (together referred to as Peabody)</b> - Heads of Terms have been shared in regard to the transfer of the Norman Road Field from Peabody to the Applicant. The parties agree that they will seek to establish and follow an appropriate approach in negotiating and agreeing on the terms of the transfer as soon as possible, with both acknowledge the merits of pursuing a voluntary agreement. The parties have agreed an undertaking for the same.</li> <li>• <b>Aviva</b> – (owners of the disused Belvedere Power Station Jetty) - the parties have discussed using DCO powers or a voluntary agreement to secure the land and rights the Applicant requires to deliver the Proposed Scheme, with the intention to record the preferred approach in a SoCG. The Applicant has confirmed to Aviva it is willing to engage in discussions on the terms of an agreement at Aviva's option, but Aviva have to date indicated that they are content with the Applicant utilising its powers.</li> <li>• <b>Western Riverside Waste Authority</b> - The Applicant is continuing discussions with WRWA with a view to reaching an agreement relating to the Proposed Scheme.</li> <li>• <b>Lidl, Iron Mountain, ASDA, Alaska</b> – Discussions held. There do not appear to be any major concerns at this stage from these parties in respect of the Proposed Scheme.</li> </ul>
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	<p>At this stage Mr Richard Turney KC, on behalf of Munster Joinery/Landsul made a number of points which are dealt with below (as indicated by Miss Clutten at the Hearing):</p> <ul style="list-style-type: none"> <li>• Mr Turney suggested that rights only could be taken over his client's land, rather than full compulsory acquisition. The Applicant does not agree with this – the Munster Joinery/Landsul land is required for core aspects of the overall Carbon Capture Facility, requiring demolition of the existing Munster Joinery facility, and the installation of infrastructure on the land meaning it could only be used for that purpose.</li> <li>• Mr. Turney suggested that the Applicant should have considered a North/East Zone combination of layouts. In the Applicant's view, the TSAR and its Addendum demonstrate that the North and East Zones are not appropriate for development of the CCF. See further the Written Summary of Oral Submissions at ISH1.</li> <li>• Mr Turney queried the amount of mitigation land that is provided for within the CCF layout. As set out in the Design Approach Document (APP-044 to APP-046) there is little land within the CCF layout proposed for mitigation. The Proposed Scheme provides for landscape buffering and ditches within the CCF layout, which are required for LVIA, water environment, ecological and operational drainage reasons. These are a limited part of the overall CCF scheme and are an entirely appropriate and necessary part of the Proposed Scheme.</li> <li>• Mr Turney highlighted that his client considered that the key factors which underpin the site requirements for the Proposed Scheme are technical feasibility and meeting carbon capture requirements. He agreed with Miss Clutten that ensuring a 'safe, suitable and secure operation' is a further key factor. Whilst the Applicant awaits the anticipated Munster Joinery/Landsul report to be submitted at Deadline 1, it highlights the submissions it has already made in its Response to Relevant Representations which demonstrate that all of the land proposed for CA, including Munster Joinery/Landsul's land, is required for the Proposed Scheme to meet those three key factors.</li> </ul>
<b>3. Special Category Land</b>	

#### 4. Statutory Undertakers

**4. The Applicant asked to provide an update of the latest position in respect of Operational Land of Statutory Undertakers, as to whether it has obtained agreement for the land to be acquired and whether there are, and if so what, any outstanding matters to be resolved, and if so, what these are.**

Mr Cooper (and Mr Fox in response to questions from the ExA) provided the following updates:

- **Environment Agency**

The Applicant has removed Great Breach Pumping Station from the Order limits in its 25 September submissions.

The Applicant considered that this removal did not need to be subject to a Change application, as it would have no effect on the Proposed Scheme's assessments (as it involves a minor reduction to the Order limits, and so no adverse change to study areas), it was made in response a matter raised in response by the specific landowner, and it has no impact on the consideration of the Proposed Scheme by other parties.

The Environment Agency's ability to access its assets are otherwise protected by its Protective Provisions (paragraph 27). The provisions for the Environment Agency are a practical provision which ensures they have continued access – which may or may not be the same access as Thames Water. No explicit link therefore needs to be drawn between the two sets of Protective Provisions within the draft DCO.

Comments on these Protective Provisions are awaited.

- **Port of London Authority**

The Applicant has issued draft terms to the PLA for the land and rights required for the Proposed Scheme and the parties intend to continue discussions on these with a view to reaching an agreement as soon as possible. Positive progress has been made on discussions in respect of Protective Provisions with very few matters outstanding.

In response to a query, from Ms Laura Nation of Gowling WLG on behalf of the PLA, the Applicant confirmed that temporary possession powers and temporary works powers within the DCO are dealt with pursuant to the PLA's Protective Provisions.

	<p>The extent of the temporary powers within the river (including the navigation channel) are provided for to enable sufficient working room for construction of the Proposed Jetty to be carried out. Assumptions have been at the early stage of this large complex development to leave room for innovation to Contractors and encompass worst-case scenarios.</p> <p>The critical construction activities dictating the construction limit extent along the channel are: Dredging and Positioning of dredger and other plant associated with dredging operations. The proposed construction limit (i.e. that land coloured for temporary possession on the Land Plans) allows the Contractor the flexibility to use anchored barges which are one of the most suited plants. The dredging equipment can stay away from the authorised navigation channel, but the anchor lines will be encroaching. However, the Contractor may select different equipment which will not encroach into the navigation channel. The Applicant considers that the current construction limit is appropriate to give the necessary flexibility to the Contractor to select their dredging equipment and construction plans.</p> <ul style="list-style-type: none"> <li>• <b>Thames Water Utilities Limited</b></li> </ul> <p>The Applicant accepts that the TW Access Road is operational land. This operational land is protected via paragraph 39 of its Protective Provisions (dealing with permanent diversions) and 2.10.4 of the Outline Code of Construction Practice (AS-029).</p> <ul style="list-style-type: none"> <li>• <b>General (including UKPN)</b></li> </ul> <p>All known Statutory Undertakers have been covered by the Protective Provisions in the DCO. With the exception of PLA, no detailed comments yet received, but the Applicant has specifically asked for them from TWUL, UKPN and EA. The UKPN Protective Provisions will apply to the substation being built for Riverside 2.</p>
<b>5. Funding</b>	
<b>The Applicant is asked to provide an update as to the latest</b>	Miss Clutten confirmed that there was nothing further to add to what is already set out in the Funding Statement (APP-141) at this stage.



<p><b>position in respect of funding.</b></p>	<p>In response to queries from the ExA at the Hearing (which Miss Clutten indicated would be dealt with in Post Hearing submissions) the Applicant has provided its audited 2023 accounts at Appendix B to this document (Action Point xii).</p> <p>In response to the question of whether the Applicant's costs forecasts within the Funding Statement account for potential construction cost increases (Action Point xi), the Applicant submits as follows:</p> <p>The Applicant's cost estimate has allowed for a construction contingency. This allowance should be seen in the context that Cory has a long-proven history of delivering large-scale complex 'strategic' sustainable infrastructure projects in London and in this locality especially, including Riverside 1, which has been in operation since 2011 and Riverside 2 which is under construction and targeting being operational in 2026 and so considers that it will be able to deal with any financial headwinds in building the Proposed Scheme.</p> <p>In particular, it is noted that Cory has extensive and proven experience in securing funding arrangements to deliver sustainable infrastructure projects of this scale and complexity. For example, Riverside 2 achieved financial close in 2022 on the basis of nearly £1 billion in estimated costs. As part of this project, Cory has managed fluctuating and high inflationary headwinds (Ukraine War, Covid) to stay within its financing envelope, through skilled and experienced project finance management and careful supply chain management.</p>
<p><b>6. AOB and Actions</b></p>	
<p><b>Any other business</b></p>	<p><i>Mr James Hewitt, no affiliation, queried whether, given the uncertainty of carbon capture, there was some constraint on the use of compulsory purchase powers if the scheme were not to proceed? In addition, as there are no large-scale examples of carbon capture facilities such as Cory, how are carbon capture rates secured, i.e. what if operation is nearer to 50% than 95%.</i></p> <p>Miss Rebecca Clutten, on behalf of the Applicant, confirmed the Applicant would deal with responses to these questions at Deadline 1. She set out that there is no scope in law offering the</p>



constraints on CA in the way suggested by Mr Hewitt and in relation to the second point, those matters are controlled by the environmental permit in terms of performance

*Post Hearing Note:*

*In relation to the point on compulsory acquisition powers, there is an in-built restriction on the use of powers through the fact that articles 26 and 28 provide that CA powers can only be used for land that is 'required for the authorised development, or to facilitate it, or is incidental to it'. As such, in a scenario where it is clear that the Proposed Scheme will not come forward, it would be ultra vires for the powers to be used, as the land could not be required for the scheme.*

*Furthermore, article 10 of the DCO requires the Applicant to have approved by the Secretary of State a form of security for compensation for the land powers sought to be utilised. In a scenario where there is uncertainty in the carbon capture project being brought forward, it is highly unlikely that either the Applicant would seek to bring forward such a security or that the SoS would approve it.*

*If the CA powers are actually utilised before any uncertainty were to strike then the DCO, precedent and the law does not allow for those powers to be 'reversed', and in any event compensation would have been paid to the relevant land interests. The Applicant acknowledges that the Crichel Down Rules exist to allow for the handback of land that is the subject of compulsory acquisition by public bodies, but is not aware of any example where those rules have been utilised for schemes being brought forward by wholly private entities (whether for a DCO, or private sector CPOs such as under the Electricity Act 1989). The Applicant notes that they were to apply for HS2 and Crossrail, but both of those projects were developed by quasi-governmental entities, so are not comparable. This likely reflects the overall position that a private company is unlikely to utilise those powers in the first place unless it has the certainty that a scheme will be able to proceed.*

*No requirements are needed in the DCO in relation to carbon capture rates and there is no precedent for this on other carbon capture schemes to date (Keadby 3, Net Zero Teesside and Drax BECCS)*

*In all of those projects, and as is the case with the Proposed Scheme, the mechanism for achieving the capture rate is the Environmental Permit.*

*In particular, it is noted that in considering the Environmental Permit for the Proposed Scheme, the EA will have regard to its March 2024 Post combustion carbon dioxide capture: emerging techniques Guidance.*

*This Guidance states that:*

- ***“You should aim to design your plant to achieve a CO2 capture rate of at least 95% during normal operating conditions, although operationally this can vary, up or down”.***
- ***“Capturing at least 95% of the CO2 in the flue gas during normal operating conditions is considered BAT”***
- ***The Applicant's permit application will therefore be based on meeting this Guidance and The EA will therefore consider whether the Applicant has achieved this design capture rate in determining the permit application.***

*This context is important in light of section 4.12 of the Energy NPS, where it is stated that:*

***“4.2.10: The Secretary of State should work on the assumption that the relevant pollution control regime and other environmental regulatory regimes, including those on land drainage, water abstraction and biodiversity, will be properly applied and enforced by the relevant regulator. The Secretary of State should act to complement but not seek to duplicate them.***

***4.2.16: The Secretary of State should not refuse consent on the basis of pollution impacts unless there is good reason to believe that any relevant necessary operational pollution control permits or licences or other consents will not subsequently be granted.***

*The clear policy direction, therefore, is that the permitting regime will operate effectively and that the DCO should not duplicate controls that can be imposed through that alternative regime. Furthermore, it is clear that achieving a 95% capture rate is a reasonable assumption upon which to base the ES.*

*The Applicant would also make the general point that Mr Hewitt's submissions seek to cast doubt on carbon capture projects as a way forward, which is a position clearly contrary to Government policy.*

	<p><i>Installing carbon capture technology is recognised by the UK Government as the most effective way for EfW facilities to reduce their CO2 emissions.</i></p> <p><i>The Proposed Scheme supports the UK's urgent need for carbon reduction infrastructure and will result in an overall reduction in GHG emissions. It will support the UK Government's CCS Vision and commitment to achieve net zero by 2050 and will deliver infrastructure that the Committee on Climate Change has identified as a 'necessity' to achieving net zero and decarbonisation of the energy sector. NPS EN-1 (not least at Part 3.5) specifically encourages the use of carbon capture technology.</i></p> <p><i>At paragraph 3.5.1, NPS EN-1 recognises that step change will require carbon capture and storage identifying that there 'is an urgent need for new carbon capture and storage (CCS) infrastructure to support the transition to a net zero economy.'</i></p> <p><i>At paragraph 3.5.4, it is emphasised that, as set out in the Net Zero Strategy, the Government's aim is to use CCUS technology to capture and store 20-30MtCO2 per year by 2030, which will require the timely development and deployment of CCS infrastructure such as the Proposed Scheme.</i></p> <p><i>Finally, in this context, NPS EN-1 states that: 'To support the urgent need for new CCS infrastructure, CCS technologies, pipelines and storage infrastructure are considered to be CNP [Critical National Priority] infrastructure.' (paragraph 3.5.8).</i></p> <p><i>Mr Callum Kerr, individual, raised concerns about the need for wildlife to be protected and how this Applicant's proposals will allow for this, if they also seek to encourage public access to the Norman Road Field.</i></p> <p><i>Miss Clutten, on behalf of the Applicant, responded to confirmed that this was dealt with in ISH1 by Dr Joyce (see also the Summary of Case for ISH1). In terms of the accessible land, land for observing wildlife doesn't fall within SCL but it still forms part of open space for planning policy purposes.</i></p>
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# Appendices





# APPENDIX A: EQUALITIES CONSIDERATIONS

DECARBONISATION

## Cory Decarbonisation Project

PINS Reference: EN010128

**November 2024**

Revision A

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## 1. APPENDIX A: EQUALITIES CONSIDERATIONS

- 1.1.1. This appendix considers the impact of the Proposed Scheme on persons or groups of persons who share characteristics that are protected under Section 4 of the Equality Act 2010<sup>1</sup> ('protected characteristics'). The purpose of this appendix is to set out:
- the potential impacts of the Proposed Scheme on persons or groups of persons that share a 'protected characteristic'; and
  - the mitigation measures identified to improve equality of opportunity and eliminate discrimination.

### 1.2. LEGISLATION

- 1.2.1. The Equality Act 2010<sup>1</sup> provides a legal framework to protect the rights of individuals that share defined 'protected characteristics' from discrimination (being treated worse than someone else because of who they are).
- 1.2.2. The 'protected characteristics' which identify the groups who may be disproportionately impacted upon or discriminated against are outlined in **Table 1**. Protection extends to those who are perceived to have these characteristics or who suffer discrimination because they are associated with someone who has that characteristic, e.g. cares for someone who is disabled.

**Table 1: Protected groups listed under the Equality Act 2010**

Protected Characteristic	People and Aspects Included
<b>Sex</b>	Men and women; parenting, caring, flexible working and equal pay concerns.
<b>Religion or belief</b>	Religion refers to any religion, including a lack of religion. Belief refers to any religious or philosophical belief and includes a lack of belief. Generally, a belief should affect your life choices or the way you live for it to be included in the definition.
<b>Age</b>	Children (0-16), young people (17-25), working age people (15-64) and elderly people (65 and over).
<b>Disability</b>	People who have a physical or mental impairment which has a substantial and long-term adverse effect on that person's ability to carry out normal day-to-day activities. This includes sensory, visible or hidden impairments (e.g. cancer, HIV, dyslexia).
<b>Race</b>	Refers to a group of people defined by their race, colour, and nationality (including citizenship) ethnic or national origins. The Census categories

<sup>1</sup> The Stationary Office (2010) *Equality Act 2010*. Available at: [http://www.legislation.gov.uk/ukpga/2010/15/pdfs/ukpga\\_20100015\\_en.pdf](http://www.legislation.gov.uk/ukpga/2010/15/pdfs/ukpga_20100015_en.pdf) [Accessed 20th November 2024]

Protected Characteristic	People and Aspects Included
	can be used for reference, e.g. White British, Chinese, British Asians, Travellers, Gypsies, Roma, those who are of Caribbean origin, people of mixed heritage, White Irish communities, and people of other nationalities who reside in Britain.
<b>Sexual orientation</b>	Includes a wide range of sexual orientations, including but not limited to, heterosexual/straight, gay, lesbian, bisexual, asexual, pansexual.
<b>Gender reassignment (Transgender)</b>	Anyone who is proposing to undergo, is undergoing or has undergone a process for the purpose of reassigning their sex, this includes non-binary people.
<b>Pregnancy and maternity</b>	People who are pregnant, providing protection against maternity discrimination (including as a result of breastfeeding).
<b>Marriage and civil partnership</b>	People who are married or are in civil partnerships.

1.2.3. The UK Government has also developed the Equality Strategy – Building a Fairer Britain (2010)<sup>2</sup>. This strategy sets out how the UK Government will work with businesses, local communities, public services, the voluntary sector and others to drive real and sustainable change and build a fairer society and stronger economy.

1.2.4. The Strategy's approach is based on five, related, supporting principles:

- Creating equal opportunities for all: moving from looking at solutions geared to special treatment for 'groups' to developing frameworks that help create fairness and opportunities for everyone by, for example, extending the right to request flexible working to all, and not simply those with caring responsibilities. Equal treatment and equal opportunities for all does not mean uniformity – it means giving everyone an equal right to be treated fairly as an individual, recognising both their needs and their talents and giving them an equal opportunity to progress.
- Devolving power to people: supporting everyone to participate in our democratic structures and communities, to access the services they need and shape their own lives. Instead of top-down targets, power is devolved, with businesses, public services, the voluntary sector, communities and citizens freed up to develop solutions, and promote good practice.
- Transparency: shining a light on inequalities and giving individuals and local communities the tools and information they need to challenge organisations that

<sup>2</sup> HM Government (2010) *The Equality Strategy – Building a Fairer Britain*. Available at: <https://data.parliament.uk/DepositedPapers/Files/DEP2010-2150/DEP2010-2150.pdf> [Accessed 20th November 2024]

are not offering fair opportunities, and public services that are not delivering effectively for all the people they serve.

- Supporting social action: giving the voluntary sector and public sector professionals the freedom to work together to innovate and drive effective measures that build a more inclusive and cohesive society based on tolerance and respect for all.
- Embedding equality: leading by example and embedding equality in everything the Government does as an integral part of its policies and programmes.

### 1.3. PROTECTED CHARACTERISTIC GROUPS

1.3.1. As set out in **Chapter 14: Population, Health and Land Use** of the **Environmental Statement (Volume 1) (APP-063)**, two separate graziers use land within the Site. Norman Road Field (owned by Peabody) is subject to a single grazing tenancy. The Crossness Local Nature Reserve (LNR) owned by Thames Water and which includes East Paddock and Stable Paddock is also subject to a single grazing tenancy held by Ms Anderson, who has identified as part of the Gypsy and Traveller community. As set out in **Table 1**, Gypsy and Travellers are considered within the 'race' protected characteristic group under the Equality Act 2010<sup>1</sup>

1.3.2. Details of how the graziers use the East Paddock, Stable Paddock and Norman Road Field are detailed in **Section 14.6** of **Chapter 14: Population, Health and Land Use** of the **Environmental Statement (Volume 1) (APP-063)**.

#### CONSULTATION AND ENGAGEMENT

1.3.3. Prior to submission of the Development Consent Order (DCO) application, consultation with both Thames Water and Peabody who separately own the freehold land used by the graziers was undertaken. As set out in **Table 14-2** within **Chapter 14: Population, Health and Land Use** of the **Environmental Statement (Volume 1) (APP-063)**, they were each consulted to understand how its grazier uses the relevant parcel(s) of land within the Site and to understand the grazing terms.

1.3.4. As set out in **Section 3.6** of the **Consultation Report (APP-024)**, the Applicant also formally consulted both the graziers by providing specific materials addressed to them, initially via Peabody and Thames Water as the relevant landowners, and with an accepted request that the consultation materials provided would be passed on. The Applicant also made efforts to specifically engage in individual conversations with the graziers going above and beyond the requirements of statutory consultation - and also as part of the land referencing process. **Paragraphs 3.6.27 to 3.6.33** of the **Consultation Report (APP-024)** sets out the engagement undertaken with these persons.

1.3.5. The Applicant has continued to engage directly with each grazier following submission of the DCO Application, including through face-to-face meetings separately at Crossness LNR and Norman Road Field, in addition to communication by way of letters, emails and phone calls, allocating specific people to engage and having first ensured each grazier is comfortable with the means of communication.

Not least this has led to the Applicant issuing a draft Statement of Common Ground (SoCG) to each grazier; the purpose of which is to capture detail from the engagement, setting out matters agreed between the Applicant and each grazier as well as matters under discussion. Further engagement will be undertaken with both graziers as the SoCG progress.

## 1.4. POTENTIAL IMPACTS ON THE PROTECTED CHARACTERISTIC GROUP

- 1.4.1. The following impacts on the graziers have been identified during the construction and operation phases of the Proposed Scheme.

### CONSTRUCTION

- 1.4.2. As set out in **Paragraph 14.8.29 of Chapter 14: Population, Health and Land Use of the Environmental Statement (Volume 1) (APP-063)**, the horses within the grazier fields may need to be relocated either within the Site, with safety and security measures in place, or outside the Site during the construction phase. The Applicant intends (and is already discussing) to reach a suitable agreement with the graziers on appropriate temporary location arrangements for the horses during the construction phase, as required. This is committed to in the **Outline Code of Construction Practice (AS-028)**.

### OPERATION

- 1.4.3. As detailed in **Paragraph 14.8.62 of Chapter 14: Population, Health and Land Use of the Environmental Statement (Volume 1) (APP-063)**, both the East Paddock and Stable Paddock would be permanently lost to the Carbon Capture Facility and this resource would no longer be available for use by Ms Anderson during the operation phase. However, Ms Anderson would still have access to the remaining fields currently accessed within the Crossness LNR. **Figure 1-2 of Figures: Part 1 of the Environmental Statement (Volume 2) (APP-072)** shows the location and size of East Paddock, Stable Paddock and Crossness LNR. It is understood that the Thames Water grazier (Ms Anderson) would still have approximately 16 acres available for grazing with the Proposed Scheme in place.
- 1.4.4. As detailed in **Paragraph 14.8.62 of Chapter 14: Population, Health and Land Use of the Environmental Statement (Volume 1) (APP-063)**, Norman Road Field was included within the Site for mitigation purposes (forming part of the Mitigation and Enhancement Area) and not for the built development of the Carbon Capture Facility. It consequently would not be permanently lost and will be available to the Peabody grazier (Mr Anderson) during the operation phase with the field itself being in an improved position.
- 1.4.5. As detailed in **Paragraph 14.8.63 of Chapter 14: Population, Health and Land Use of the Environmental Statement (Volume 1) (APP-063)**, the Thames Water Access Road is currently used by Ms Anderson to gain access to the Crossness LNR and Stable Paddock. This route may need to be diverted; with any replacement access road designed to be suitable for its current type and level of usage. It should be noted

that any diversion to the Thames Water Access Road would be agreed with Thames Water pursuant to their protective provisions in the **Draft DCO (AS-056)**. Appropriate access would also be provided for the Peabody grazier as part of the Proposed Scheme. It may also be possible that the graziers will be able to use the new paths to be created pursuant to the **Outline Landscape, Biodiversity, Access and Recreation Delivery Strategy** across the extended Crossness LNR.

- 1.4.6. As set out in **Paragraph 14.8.64 of Chapter 14: Population, Health and Land Use of the Environmental Statement (Volume 1) (APP-063)**, Ms Anderson would be able to utilise the Mitigation and Enhancement Area once operational, which will include reprovisioning of the existing stable block.
- 1.4.7. In addition to enhancing the quality and condition of the habitat on the land for both graziers, the Applicant is also seeking to improve the facilities for both graziers (e.g. water and power supply) through the Proposed Scheme; this is set out in the **Outline Landscape, Biodiversity, Access and Recreation Delivery Strategy (Revision B, included as part of this submission)**.

## 1.5. MITIGATION AND ACTION PLAN

1.5.1. **Table 2** shows the proposed mitigation measures and action plan for the identified impacts of the Proposed Scheme on the graziers.

**Table 2: Proposed Mitigation and Action Plan**

Issues Identified	Action to be Taken	Mechanism for Delivery	Expected Outcomes	Owner	Timescale
<b>Construction</b>					
<b>The horses within the Crossness LNR (particularly East Paddock and Stable Paddock) and Norman Road Field may need to be relocated either within the Site, with safety and security measures in place, or, if this is not practicable (although given the space available, this is unlikely) outside the Site during the construction phase.</b>	As set out in <b>Section 14.7 of Chapter 14: Population, Health and Land Use of the Environmental Statement (Volume 1) (APP-063)</b> " <i>the full CoCP [Code of Construction Practice] will provide (or report on the same if this has already happened at the time that the full CoCP is sought to be approved) that engagement must take place with the graziers who currently graze horses within the Site Boundary to seek to agree an approach to any temporary or permanent relocations required, and to the management of the return to site of horses once construction of the Proposed Scheme is complete.</i> "	<b>Outline CoCP (AS-029)</b>  Provisions for the temporary use of land within the <b>Draft DCO (AS-056)</b>	Ensure the graziers have been adequately considered as part of the Proposed Scheme.	Cory Environmental Holdings Ltd (the Applicant).	Prior to and during the construction phase.
	Ongoing dialogue will be undertaken with each grazier as part of the SoCG process, including discussions regarding	SoCG	Ensure the graziers have been	Cory Environmental	Prior to and during the construction phase.



Issues Identified	Action to be Taken	Mechanism for Delivery	Expected Outcomes	Owner	Timescale
	the required arrangements during the construction phase.		adequately considered as part of the Proposed Scheme.	Holdings Ltd (the Applicant).	
<b>Operation</b>					
The loss of both East Paddock and Stable Paddock, changes to access and use of the Mitigation and Enhancement Area, including reprovisioning of the existing stable block.	As set out in <b>Section 14.9: Additional Design, Mitigation and Enhancement Measures of Chapter 14: Population, Health and Land Use</b> of the <b>Environmental Statement (Volume 1) (APP-063)</b> , engagement with each grazier will continue to be sought and undertaken as the Proposed Scheme progresses.	<b>Outline Landscape, Biodiversity, Access and Recreation Delivery Strategy (Revision B, included as part of this submission)</b>	Ensure the graziers have been adequately considered as part of the design of the Mitigation and Enhancement Area, including in respect of access arrangements and appropriate facilities.	Cory Environmental Holdings Ltd (the Applicant)	Throughout the operation phase.  The proposed Deed of Obligation provides for an Endowment to be paid to LBB for maintenance of the Mitigation and Enhancement Area post the Carbon Capture Facility being decommissioned.
Changes to access.	Ongoing dialogue will be undertaken with each grazier as part of the detailed design and during the operation phase. This engagement will provide a platform for the graziers to raise concerns regarding the Proposed Scheme and work with the Applicant to find solutions and enhancements where practicable.	Provisions for the permanent use of land within the <b>Draft DCO (AS-056)</b>			

## 1.6. CONCLUSION

- 1.6.1. The graziers would be impacted by the Proposed Scheme, with one grazier identifying as part of the Gypsy and Traveller community. Consideration of the matters relevant to the Equalities Act 2010 anticipates that the Proposed Scheme would have both negative and positive impacts on the 'race' protected characteristic group of the Proposed Scheme (the Thames Water grazier) as well as the Peabody grazier, irrespective of their identification.
- 1.6.2. During the construction phase, the graziers located within the Site would be impacted as their horses may need to be relocated either within the Site or outside the Site, with relevant safety and security measures in place. An agreement regarding temporary horse relocations, if required, would be sought with either or both graziers as appropriate.
- 1.6.3. During the operation phase, the Thames Water grazier (Ms Anderson) would experience a negative impact associated with the permanent loss of land currently used for grazing (the East and Stable Paddocks). However, the Applicant has committed to the reprovisioning of the stable block, and it is understood that the Thames Water grazier (Ms Anderson) would still have access to approximately 16 acres of land for grazing with the Proposed Scheme in place. The quality and condition of the grazing land within the Mitigation and Enhancement Area will be improved as part of the Proposed Scheme, which would lead to a positive impact on the protected characteristic group.
- 1.6.4. As the land used by the Peabody grazier (Mr Anderson) would not be permanently lost and the condition and quality of the land within the Mitigation and Enhancement Area would be improved as part of the Proposed Scheme, there would be a positive impact on this grazier during operation. Furthermore, the Applicant has discussed the provision of water and power supply for both graziers, which would lead to a positive impact.
- 1.6.5. In conclusion, with the proposed mitigation measures in place, no differentiated or disproportionate impacts on groups with protected characteristics under the Equalities Act 2010 are predicted as a result of the Proposed Scheme.





# APPENDIX B: REPORT AND FINANCIAL STATEMENT YEAR END DECEMBER 2023

DECARBONISATION

## Cory Decarbonisation Project

PINS Reference: EN010128

**November 2024**

Revision A

# **Cory Environmental Holdings Limited**

Report and Financial Statements

Year Ended

31 December 2023

Company Number 05360864

# Cory Environmental Holdings Limited

## Report and financial statements for the year ended 31 December 2023

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### Directors

D I Sutherland  
B J Butler

### Secretary

T Bridgman

### Registered office

Level 5, 10 Dominion Street, London, EC2M 2EF

### Company number

05360864

### Auditor

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

# Cory Environmental Holdings Limited

## Strategic report for the year ended 31 December 2023

The directors present their strategic report together with the audited financial statements for the year ended 31 December 2023. The ultimate parent Cory Topco Limited ('Cory Group') Annual Report for 2023 can be found at [www.corygroup.co.uk](http://www.corygroup.co.uk).

### Results

The performance and position of the Company for the year are set out in the income statement on page 21 and within balance sheet on page 23. The Company's total comprehensive loss for the financial year amounted to £542.1m (2022 - £506.3m profit), net assets at the end of the year were £921.4m (2022 - £1,576.9m).

### Principal activity and review of the business

The principal activity of the Company is that of a project development and investment holding Company.

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

### Highlights and outlook

Key operational and financial highlights and outlook are as follows:

- The Company will continue to develop its relationships with regulators, political stakeholders, employees, suppliers and local communities within which it operates to ensure that beneficial long-term arrangements are maintained.
- The company's energy from waste and recycling investments performed well during the year – the Riverside 1 asset diverted 790,000 tonnes of non-recyclable waste from landfill and generated 476,000 MWh of baseload electricity. Construction of the Riverside 2 energy from waste asset commenced at the start of the year and is progressing well – when completed the plant will process c650,000 tonnes of non-recyclable waste annually, generating over 460,000 MWh of baseload electricity. The company received £66.0 million from its investments during the year.
- Cory have put in place an ambitious plan to deliver an end-to-end solution to capture, transport and store CO<sub>2</sub>. This project to capture 1.4 million tonnes of CO<sub>2</sub> per annum by 2030 will make a material and positive impact on achieving our clients', London's, and the UK's net zero targets. Our partners for this project include the Viking consortium, which is led by Harbour Energy, Associated British Ports and bp, as our storage partner. We will be working exclusively with Viking to develop a shipping solution for the CO<sub>2</sub> we capture: this is likely to be the first project in the UK – and one of the first in the world – to ship CO<sub>2</sub> rather than transporting it via a pipeline, helping develop international opportunities for the UK and opening up decarbonisation opportunities for other coastal and river-based CO<sub>2</sub> emitters in the UK. Non-pipeline solutions for CO<sub>2</sub> storage are vital for London, which currently produces c.30Mt of CO<sub>2</sub> per annum, but has no prospect of being directly connected to the storage clusters that are currently being developed by the Government. Our project alone would deliver 38 per cent of London's budgeted Carbon emissions reduction (2028—2032). We have submitted our Development Consent Order for this project after over two years of detailed work on the engineering and environmental elements of our plans, as well as a series of consultations with local stakeholders. We expect a planning decision from the Secretary of State in Q4 of 2025.
- Working with the experienced heat network developer and operator Vattenfall, the Company is developing a district heat network to provide affordable and low carbon heating to more than 21,000 homes. A Collaboration Agreement was signed with Vattenfall in 2021. Riverside 1, our current EfW facility, will provide enough heat for more than 10,500 homes in the London Borough of Bexley and the Royal Borough of Greenwich. In the future, our Riverside 2 facility will supply low carbon heat to more than 10,500 additional homes. For London and the UK, the project will deliver over 75,000 tonnes of carbon savings against existing gas boiler usage over 15 years in Phase 1, transforming the way London consumes heat.

# Cory Environmental Holdings Limited

## Strategic report for the year ended 31 December 2023 (*continued*)

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### Highlights and outlook (*continued*)

- The Company is also investigating a mobile heat battery solution which will allow us to deliver heat to customers along the River Thames. The project will use phase change thermal storage, developed by Sunamp and the University of Edinburgh, helping to reinforce British clean technology leadership and drive investment in UK supply chains. The batteries use a salt-based, non-toxic, long-duration phase change material (PCM), and will be housed in specially-designed shipping containers making them easy to transport by barge.

### Future developments

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

### Going concern

The Company is part of a Group of companies owned by Cory Topco Limited. The Group has complied with all the conditions of its debt facility covenants, and the directors have carried out detailed forward projections and have concluded that it is likely that the Group will continue to comply for the foreseeable future. Below is an extract from those Group accounts.

The Board has reviewed its financial forecasts and considered the availability of cash reserves and headroom over banking covenants. As part of this review the Board has assessed a number of financial scenarios, and combinations thereof, that last for a period of at least 12 months from the date that the financial statements have been signed. In addition to these scenarios, the Board has also considered the impact of climate change risk and whether there are any further internal or external factors that could have a significant impact on the financial performance and position of the business.

The directors acknowledge that the company has an intercompany payable to other group companies. The company has received non-binding letters of support from the other group companies that a demand for repayment of the payables will not be made in the foreseeable future, being a period of at least 12 months from the date the accounts are signed.

The directors conclude that there is a reasonable prospect that the business will continue to be a going concern for the foreseeable future.

# Cory Environmental Holdings Limited

## Strategic report for the year ended 31 December 2023 (*continued*)

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### Principal risks and uncertainties

The Board of Cory Topco Limited (the ultimate parent company) 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 has day-to-day responsibility for controlling risk. The Executive Leadership Team (ELT) regularly reviews the Group'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 Group has a Health, Safety, Environment, & Quality (HSEQ) Assurance team, led by a member of the ELT, that is independent from the operational business. The Group also employs a number of third-party experts to provide independent assurance on areas that include financial and cyber security risks.

The Group and Company'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 Group has an exceptionally low appetite for risk in areas impacting the health, safety and well-being of its employees, the communities within which it operates, and the general public. The Group 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 undertakings of the Business.

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 Group'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. To ensure the success of the risk sharing strategy we prefer to develop long-term relationships with our insurance panel. We place all our insurances with leading insurance companies and insurances are reviewed, assessed, and renewed annually.

The Company's principal risks and uncertainties are reflective of those principal risks and uncertainties at Group level and those Group risks and the actions taken to mitigate them are highlighted in the table below:

# Cory Environmental Holdings Limited

## Strategic report for the year ended 31 December 2023 (*continued*)

### Principal risks and uncertainties (*continued*)

Risk	Mitigation
<p><b>Health, safety and wellbeing</b> - If not properly controlled, our processes and operational environments could increase risk to the health, safety and well-being of our employees and the general public. Employees are potentially exposed to operational hazards, particularly: traffic and moving plant, contact with machinery, working in confined spaces and at height, and exposure to waste, which may contain pathogens or other harmful substances.</p>	<p>Health and safety is considered in all decision-making, and this is reflected in targets and remuneration objectives. Cory's rigorously designed and enforced policies and standards to manage risks to health and safety are promoted by regular training and 'toolbox talks'. Health and safety reports and statistics are compiled and circulated to the executive Leadership Team (ELT) each month. 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 well-being with employees.</p> <p>Cory's Health, Safety, Environment and Quality (HSEQ) Assurance function reports directly to the CEO. The HSEQ team supports the ELT to identify risks to health, safety and well-being and ensures policies are enacted to reduce risk to an acceptable level. The HSEQ team also carries out independent auditing to confirm effective operation of processes and controls designed to prevent harm.</p> <p>The Group operates a 'whistle blowing' system so that any concerns might be raised by any person without fear of adverse reaction in the knowledge that they will be investigated independently of the operational management. This process also covers safety concerns, although none have been raised to date. The Group is a founder member of the Environmental Services Association (ESA) and participates in industry-wide initiatives and working groups to improve safety within the waste management industry. In 2023, Cory employees were active in supporting ESA projects aimed at improving Risk Assessment, Vehicle &amp; Pedestrian interfaces, Occupational Health monitoring and Mental Health.</p>
<p><b>Regulation</b> - Our business activities are heavily regulated, principally by the Environmental Permitting Regulations. Each of our operating sites holds an Environmental Permit issued by the Environment Agency that dictates strict operating conditions.</p> <p>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.</p>	<p>The HSEQ Assurance team ensures compliance with Health &amp; Safety Executive (HSE) regulations, including Environmental Permit conditions. The Group retains independent experts who advise on changing or emerging legislation, assist the ELT and Board in their response and provide assurance.</p> <p>Cory has exacting policies and procedures in place to manage other regulatory compliance risks, such as bribery and corruption, facilitation of tax evasion and modern slavery and human trafficking in supply chains. Senior employees are active on key industry working groups and committees and can influence legislation, regulation, and best working practices.</p>

# Cory Environmental Holdings Limited

## Strategic report for the year ended 31 December 2023 (*continued*)

### Principal risks and uncertainties (*continued*)

Risk	Mitigation
<p><b>Economic and political</b> - Economic uncertainty caused by high price inflation and weak growth has been a feature throughout 2023 and it is still not yet known how this may impact the long-term growth rate of Cory's key London market.</p> <p>The long-term impact of Brexit is still uncertain and there remains potential unforeseen effects on local waste markets and pricing, such as increasing logistics costs and transit times to continental Europe as well as the impact of European environmental legislation (e.g. the planned introduction of EfW into the EU ETS and possible carbon boarder adjustments). The business is also 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.</p> <p>All of the long-term waste contracts held by the Group are benchmarked against inflation indexes that have the potential to fluctuate over the long term, in particular the Retail Price Index which has been particularly volatile in the current year. The war in Ukraine since February 2022 has resulted in a significant increase in the volatility of energy prices. The Group is a net exporter of energy and an increase in the volatility of energy prices increases the potential cost of imbalance between our forward-sold energy positions and energy generation. During 2023, our forward traded positions, which were largely placed during 2022, were in the money.</p>	<p>We continue to assess the impact of ongoing economic uncertainty, supply chain shocks, and Brexit across all our operations and logistics chains and update and manage our implemented policies and procedures to mitigate this risk, including exposure to European markets. We manage our exposure to economic risk primarily through long-term relationships with key customers and suppliers. We manage price risk by regularly measuring our exposure to market volatility and placing forward contracts where appropriate. The long-term waste contracts we hold reduces our risk from revenue shocks.</p> <p>To mitigate any potential downside caused by a depressed Retail Price Index influencing long-term revenues, the Group has entered into a long-term inflation swap. Management continually reviews the impact of relevant inflation indexes on the Group's future earnings, the results of which are factored into their detailed long-term projections.</p> <p>The exposure to short-term changes in electricity prices is mitigated by entering into short to medium-term electricity purchase agreements to forward sell electricity generated from the plant. In 2023, the Group has responded to the increased price volatility by adjusting its trading strategy. The Group now sells forward a significantly lower proportion of its forecast electricity generation, thereby reducing the risk of imbalance. The Group's energy trading strategy and its market positions are overseen by an in-house Energy Portfolio Manager.</p> <p>Geopolitical unrest in Europe and the Middle East has also disrupted global supply chains and we have, therefore, carried out a thorough review of our supply contracts and arrangements to ensure that we are able to obtain the skills and resources that are necessary to continue to operate in the face of this disruption, including contingency arrangements where appropriate. The impact of financial market disruption caused by the unrest has also been mitigated through the Group's interest rate and inflation hedging strategy.</p>



# Cory Environmental Holdings Limited

## Strategic report for the year ended 31 December 2023 (*continued*)

### Principal risks and uncertainties (*continued*)

Risk	Mitigation
<p><b>Risks related to climate change –</b></p> <p>We recognise the global climate emergency and we are committed to playing our part in delivering a net zero future. We also recognise that to continue to be a market leader in our industry we must keep abreast of risks and opportunities associated with the transition to a low-carbon economy, encompassing technological, market, legal and policy risks, as well as physical climate-related risks. Advances in low-carbon technologies are continually being made and there is a risk that the Business does not evolve and adapt in line with technologies developed. The Business is also exposed to legal and policy risks associated with climate change and the net zero carbon agenda. Monitoring current and potential future changes in regulations is key to managing and mitigating this risk.</p>	<p>Cory's Board has committed to achieving net zero by 2040 or sooner. During 2023, the Group continued to invest into our CCS project which will enable our EfW facilities to continue to provide essential waste management services while also delivering negative CO2 emissions.</p> <p>We have a sustainability strategy supported by annual targets. Our cross-departmental sustainability working group monitors progress in the delivery of these targets. A team dedicated to integrating sustainability into the Business and tracking climate change policy-related developments allows the Business to stay well-informed on current regulatory and technological developments and effectively manage any associated risks.</p> <p>The quarterly Board agenda includes a standing section on Sustainability and Environment which covers climate-related risks and opportunities. The strategic projects currently being progressed by the Business will also help ensure that Cory stays at the forefront of market and industry climate-related developments. This is exemplified by the heat network and large-scale carbon capture projects currently being progressed by the Group.</p> <p>In 2023, we continued to report on our climate-related risks and opportunities in line with the recommendations of the Task Force on Climate-related Financial Disclosures, which ensures that we identify and disclose relevant climate-related financial information to our investors. Please see the Cory Topco Limited consolidated accounts for further discussion.</p>
<p><b>People</b> - Cory employs nearly 400 people. There is a risk that the Group will be unable to retain or recruit suitable talent.</p>	<p>Cory recognises the need to motivate and retain employees to ensure business continuity. To reward employees fairly, we regularly benchmark remuneration and benefits, with the Remuneration Committee overseeing remuneration policy. Performance and retention are also promoted through an annual bonus scheme and long-term incentive plans for key employees.</p> <p>The Board and ELT visit operational sites regularly to communicate with employees and to enable them to share views with management. We proactively identify and promote talent from within. Our talent management and succession plans are supported by training and development programmes and apprenticeship programmes.</p>

# Cory Environmental Holdings Limited

## Strategic report for the year ended 31 December 2023 (*continued*)

Risk	Mitigation
<p><b>Delivery of strategic projects -</b> 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 and could result in an increased cost, as well as our ability to service customer needs and contracts.</p>	<p>Our dedicated development team continually measures and mitigate project risks. The team regularly reports on the status of each project to the Board.</p> <p>Cory fosters positive, long-term relationships with all stakeholders, meeting regularly to communicate developments on key projects. All large-scale capital projects are subject to robust business cases which are reviewed at all layers of the business, and rigorous ongoing monitoring to ensure that the expected benefits are being captured.</p> <p>Business plans are subject to suitable scenario testing to ensure they are resilient in the face of economic shocks and that suitable risk modelling over key assumptions has taken place.</p> <p>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.</p>
<p><b>Business continuity and cyber risk -</b> Fire, flooding, civil unrest, and high tidal flows could threaten the continuity of the Business. We are also dependent on IT to operate the process equipment that delivers our products and services.</p>	<p>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.</p> <p>We engage independent third-party experts to assess IT resilience, including firewall vulnerability and penetration testing. Cyber security risk is mitigated by a number of processes and controls, including cyber awareness training for all employees, multi-factor authentication, separation of key network infrastructure, hard-disk encryption and email filtering.</p> <p>Cory also retains an external security operations centre on 24/7, 365 basis. This service continuously scans for malware and other suspicious activity and provides proactive threat monitoring; threat intelligence reporting and incident remediation support.</p> <p>Cory holds the Cyber Essentials cyber-security accreditation and is currently undergoing certification for ISO27001, an internationally recognised standard for Information Security Management.</p>

# Cory Environmental Holdings Limited

## Strategic report for the year ended 31 December 2023 (*continued*)

### Financial risk management

The Group has established financial management control processes to monitor the Group's financial performance and risks at a business unit level and to ensure sufficient working capital is maintained. The table below summarises the main financial risks the Group is exposed to.

Risk	Mitigation
<p><b>Risks relating to debt financing</b></p> <p>The Business has taken out debt financing which requires ongoing servicing and compliance with a series of financial and non-financial covenants.</p> <p>A serious decrease in the financial performance of the Group could result in a default, accelerating loan repayments.</p> <p>Exposure to variable interest rates could increase the Group's interest costs.</p>	<p>Cory borrows prudently, maintaining good headroom over financial covenants.</p> <p>Our detailed financial forecasts set out the expected headroom under covenants in future periods. This headroom is tested by applying a series of prudent downside scenarios.</p> <p>Refinancing risk is managed by placing long-term debt and managing maturities. The Riverside 1 £50 million capex facility was successfully refinanced in 2023 and was replaced by a facility which now matures in 2030 along with a £167 million maturing in the same year. A further £337 million matures in 2038 and the remainder, £50 million, matures in 2040.</p> <p>A new £514 million construction facility was raised in 2022 to finance the Riverside 2 project construction. This has not been utilised in the current year and the facility matures in 2029. We continue to minimise interest rate risk using interest rate swaps, held to hedge against future movements in interest rates.</p> <p>We also produce monthly and longer-term financial forecasts. These are shared regularly with the ELT, the Board and shareholders and ensure ongoing monitoring of debt financing and associated compliance.</p>
<p><b>Exposure to credit risk</b></p> <p>Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.</p>	<p>The Company's policies are aimed at minimising such a risk by conducting credit checks where appropriate and by other established credit control procedures.</p>
<p><b>Exposure to liquidity risk</b></p> <p>Liquidity risk is the risk that an entity may encounter difficulties in meeting obligations associated with its financial liabilities as they fall due.</p>	<p>The Group mitigates liquidity risk by having in place appropriate controls to forecast and manage its forecast cash flow, including a rolling 17-week cash forecast, which is updated fortnightly. Detailed cash flow forecasts are maintained for the Group covering a long period into the future. These are submitted to and reviewed by the Board and lenders regularly.</p>

# Cory Environmental Holdings Limited

## Strategic report for the year ended 31 December 2023 (*continued*)

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### Our commitment to section 172

The Board of Directors confirms that during the year under review, it has acted to promote the long-term success of the Company for the benefit of shareholders, whilst having due regard to the matters set out in section 172(1)(a) to (f) of the Companies Act 2006, being:

- (a) the likely consequences of any decision in the long term;
- (b) the interests of the Company's employees;
- (c) the need to foster the Company's business relationships with suppliers, customers and others;
- (d) the impact of the Company's operations on the community and the environment;
- (e) the desirability of the Company maintaining a reputation for high standards of business conduct; and
- (f) the need to act fairly between members of the Company.

The Board has direct engagement principally with our employees and shareholders but is also kept fully apprised of the material issues of other stakeholders through the Executive Directors, reports from senior management and external advisers. Below, you can find out how we engaged with our key stakeholders in 2023, including key topics of engagement and the impact of our engagement. You can also find out more about our commitment to section 172, including our engagement with stakeholders, in our Cory Topco Limited Annual Report 2023 found on our website at [www.corygroup.co.uk](http://www.corygroup.co.uk).

### Methods used by the Company Board and Company Directors

The Directors of the Company are the CEO and the CFO, who also sit on the Cory Topco Limited Board. The Company is a subsidiary that is governed primarily through its ultimate parent company, Cory Topco Limited.

The main methods used by the Directors to perform their duties include:

- Board reports from and regular communications with the CEO, CFO, General Counsel and other senior management, which highlight material stakeholder issues and ensure that the Board can take these into account when making decisions.
- Site visits and communication with employees, and feedback mechanisms between the Board and Executive Directors and the ELT, which help to define the Company's culture.
- Direct engagement with shareholders and ultimate investors into the Company, through investor briefings held by Directors of Cory Topco Limited that represent shareholders.
- The Board's risk management procedures, which identify the potential consequences of decisions in the short, medium and long term so that mitigation plans can be put in place to prevent, reduce or eliminate risks to our Business and wider stakeholders (see pages see risks section above).
- An annual Strategy Day, which assesses the long-term future growth prospects of the Company.
- External assurance is received through audits, stakeholder surveys (such as the Materiality Assessment) and reports from brokers and advisers.

### Principal Decisions

The principal decisions taken by the Group Board relating to the Company in 2023 were:

**Investment in decarbonisation project:** the Board reaffirmed its commitment to achieving net zero carbon emissions by 2040 or sooner, and continued to support the Group's plans for developing a carbon capture and storage project. 2023 saw particular focus on and investment in the Development Consent Order process, in advance of an application being made in March 2024. Key activities included two consultations with local residents and businesses, as well as targeted engagement with priority stakeholders and local interest groups. Once complete, the project has the potential to capture c. 1.4 million tonnes of CO<sub>2</sub> per annum, a significant contribution to the UK's overall carbon budget. Further information on the project can be found in the Group's Sustainability Report as well as a dedicated website: [www.corydecarbonisation.co.uk](http://www.corydecarbonisation.co.uk).

# Cory Environmental Holdings Limited

## Strategic report for the year ended 31 December 2023 (*continued*)

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### Principal Decisions (*continued*)

**Approved the dividend:** meeting shareholder dividend expectations is a high priority as shareholders have clear cash yield expectations from their investment in the Group, which are needed to meet their overall objectives. Many of the investors in the funds managed by our shareholders are pension funds (including public sector pension funds) which require regular yield in order to meet their obligations to their members.

**Approved the refinancing of the capex facility:** Riverside 1's capex facility matured in October 2023. Prior to this, the Board reviewed options for refinancing provided by external advisors DC Advisory, taking into account factors such as external market conditions and Rating considerations. The Board agreed on a strategy for refinancing, which was completed in September 2023.

### The Company's stakeholders

Our long-term strategy relies on positive, proactive relationships with our stakeholders.

### Our approach

Our stakeholders range from shareholders to suppliers as well as regulators and the wider environment. We tailor our approach to engaging with each stakeholder group in order to ensure that we maximise the benefit we bring in all aspects of our business.

- **Shareholders:** We owe fiduciary duties to our shareholders, who have invested significant capital with the intention of owning Cory for the long-term. Shareholders need the Group to generate dividends to distribute to their investors, many of whom are pension funds. Each shareholder has representation on the Board of Directors and we provide them with regular financial and non-financial information, both at and between Board meetings, amounting to near-weekly communication. The main topics of 2023 related to the Company were: health and safety, waste availability and throughput, plant availability, plant emissions, and progress on actions to meet net zero targets. As a result of shareholder engagement, the Board made a number of material business decisions, including those set out in the section 172 statement (Principal Decisions).
- **Employees:** Our employees are key to the success of our Company. Their safety and wellbeing are our top priorities. We identified mental health as a key Health and Safety theme for 2023, in recognition of the fact that an individual's mental state can be a significant contributor to accidents at work. Throughout the year we have communicated with our team members to ensure that they are aware of the support available to them. This includes access to free counselling sessions, dedicated guides for employees and managers and training over 35 mental health first aiders. We used an annual survey by our trade body, the Environmental Services Association, to gauge our employees' response to this focus area and found that positive sentiment about our approach to mental health grew by almost 50%.

Not all our employees have access to email, so we work hard to ensure that everyone is informed about what is happening in the wider business. Our CEO and CFO hosted quarterly Company updates for all employees, which included an overview of business activity and financial performance as well as looking ahead to coming developments. Our CEO also held smaller 'Town Hall' style meetings at all sites which allowed team members to ask questions directly.

We have dedicated internal working groups which support business activity in areas such as IT and sustainability, as well as focusing on issues relating to inclusion and diversity. This includes the Cory Women's Network which was established in 2022.

# Cory Environmental Holdings Limited

## Strategic report for the year ended 31 December 2023 (*continued*)

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### The Company's stakeholders (*continued*)

- **Trade unions:** Around 30 per cent of our employees are represented by trade unions (Unite and GMB), which helps us communicate effectively on collective issues with these colleagues. We engage with our trade unions through regular discussions with local shop stewards and meetings with regional and national officials.
- **Suppliers:** We are proud to have cultivated long-standing relationships with many of our suppliers, many of whom, such as Harland & Wolff and JSM, are based in the UK. Supply contracts are created through a diligent commercial process, the establishment of a mutual trust in each other's values and respecting the services and capabilities being provided. We are mindful of the need for a global reach to secure suppliers that are under increasing strain from infrastructure growth and adaptation.

We continued to engage with our suppliers throughout the year to identify issues and trends which have potential impacts on their business. Key issues affecting our customers in 2023 included geopolitical tensions in the Red Sea area, which has had implications for global supply chains.

Our contractors exhibit good corporate conscience, such as Hitachi Zosen Innova's work with the Lighthouse Charity to raise awareness of Mental Health in the Construction industry.

- **Customers:** Our customers are at the centre of our business, providing the revenue we use to invest in our people and business, and paying distributions to our investors. We hold frequent executive-level meetings with Local Authority customers and ongoing regular meetings with commercial and industrial customers.

Through our engagement with customers throughout the year, it was evident that decarbonisation, removing plastics from residual waste, increasing reuse, separate food waste collections and social value are important issues. Recent changes to waste legislation, and the planned introduction of measures to simplify recycling in England, were also front of mind. In 2023 we began early engagement around the planned UK Emissions Trading Scheme (ETS), which will cover energy from waste from 2028. There are potentially significant financial implications for local authorities once the ETS comes into effect in our sector, and we are working hard to help our customers anticipate and navigate these.

We also engaged with our existing and potential customers on a range of other material matters that will affect them in the long-term including our planned carbon capture project which will decarbonise the waste sent to us by our customers and the proposed Riverside Heat Network that will ensure that heat from the process is used to heat homes and businesses. Our engagement demonstrated that customers are positive about our development plans as the projects ensure that London and the South East's critical waste infrastructure suits their needs and helps them to meet their own net zero goals.

# Cory Environmental Holdings Limited

## Strategic report for the year ended 31 December 2023 (*continued*)

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### The Company's stakeholders (*continued*)

- **Lenders:** By providing long-term debt on good terms, our lenders ensure we have the means to invest in our operations both now and in the future. Lenders receive semi-annual business performance reports and regular updates via the agent portal or through meetings with the CFO. In 2023, Cory engaged extensively with its existing lenders regularly, particularly concerning the refinancing of the £50 million capex facility, which was successfully completed in September 2023.
- **Regulators and government:** Our industry is regulated, particularly in relation to the environment and the River Thames. As we serve local boroughs, it's important that we maintain strong relationships with regulators as well as local and national government. This is achieved through direct communications, consultations and through our normal compliance activities and requirements. Material issues that arose in 2023 included: the vital role of EfW in responsible waste management and achieving net zero carbon; funding for carbon capture projects, the UK ETS and the government's industrial model for carbon capture; Cory's decarbonisation project; Cory's heat network project; and HSE reporting.

We are an active member of several trade bodies, through which we engage with government on policy areas relevant to our business. This includes the ESA and Resource Recovery UK (RRUK), which seek to champion the vital role that waste management companies play in the UK and highlight how EfW in particular can help to achieve the country's net zero ambitions. We are also members of the Carbon Capture and Storage Association and the Association for Decentralised Energy, both of which act as conduits with government and policymakers and have allowed us to communicate about our planned CCS and heat network projects.

- **Community:** We strive to be an asset to the communities in which we operate, and work to build strong, long-term, and mutually beneficial relationships with our local communities. Through our community engagement programme, we provide opportunities for local communities to learn about recycling and waste management, and support engagement in science, technology, engineering, and mathematics (STEM) subjects.

Through our community fund we support the work of local organisations that are aligned with our values and seek to make a positive impact for local people. Our local communities care about reliable waste management services, climate change, air quality and their local environment, and about community education, development, and well-being. We are committed to providing safe, efficient and decarbonised waste management services and reducing our impacts on the environment to support our local communities for the better, long into the future.

Local community members have also been an important stakeholder in our planned CCS project, particularly those who live or work near to the proposed site in Bexley. As part of the process for preparing our Development Consent Order application we carried out a series of consultation activities with the local community, which included face-to-face meetings, online events, and postal communications. A dedicated website for the CCS project was also established and can be viewed at [www.corydecarbonisation.co.uk](http://www.corydecarbonisation.co.uk).

# Cory Environmental Holdings Limited

## Strategic report for the year ended 31 December 2023 (*continued*)

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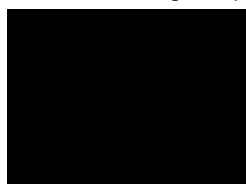
### The Company's stakeholders (*continued*)

- **Environment:** Our goal is to manage London's waste sustainably. By diverting 790,000 tonnes of waste from landfill in 2023, we saved the equivalent of 240,000 tonnes of CO<sub>2</sub>e. While the overall impact of our operations is to reduce the carbon emissions from waste management, our processes emit carbon, as well as air quality emissions. We comply with stringent air quality emissions limits and are constantly exploring new technologies and methods to reduce our air quality emissions at Riverside 1.

All our waste facilities are permitted by the Environment Agency. We work with the Environment Agency on an ongoing basis to ensure that our sites are operating to the standards required by our permits and keep abreast of any evolving expectations in environmental management. The Riverside 1 EfW facility is next to a nature reserve, so we work to minimise our impact on biodiversity and natural habitats. We proposed a biodiversity mitigation strategy for Riverside 2 that was approved by the London Borough of Bexley as the Local Planning Authority. Net positive biodiversity is part of the design philosophy, and the scheme provides for replacement mitigation habitat plus 10 per cent. Cory is funding the work through its delivery partner, the Environment Bank. The Environment Bank is working with the London Borough of Bexley to deliver biodiversity enhancements across four sites in the borough and Thames Water on a site under their control. We look forward to reporting the outcomes of this process.

### Approval

This strategic report was approved on behalf of the Board on 16 August 2024.



B J Butler  
**Director**



# **Cory Environmental Holdings Limited**

## **Directors' report for the year ended 31 December 2023**

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The directors present their directors' report together with the audited financial statements for the year ended 31 December 2023.

### **Dividends**

The Company issued dividends during the year of £113.4m (2023 - £44.6m). The directors do not propose payment of a final dividend.

The Company paid a post year-end interim dividend of £18.2m in January 2024.

### **Strategic report**

A review of the Business for the year ended 31 December 2023, including an analysis of key financial and other performance indicators, financial risk management and future developments, is included in the Strategic Report on pages 1 to 13.

### **Employee matters**

The Company is aware of the importance of good communication and ensuring high levels of engagement with its workforce. Through a series of initiatives and good working practices, including town halls, feedback sessions, engagement visits, regular meetings with representatives and Trades Unions an open dialogue is maintained to seek ways to continually improve performance.

The Company is aware of the benefits of having a diverse workforce and the critical importance of this to the long-term sustainability of its operations. Furthermore, the Group (of which the Company is a subsidiary) measures and regularly reviews a series of employment KPIs, including gender split, equal pay, age profile, employees with disability and other measures. The Group continues to consider diversity and inclusion as part of its employment strategy, confirming the vital role that our people have in the ongoing success of the Group. In the current year, the Group commenced a series of workshops and feedback sessions with external experts, to review, evaluate and recommend improvements of our engagement strategy, with particular reference to race.

The Group continues its policy regarding the employment of disabled persons and of giving full and fair consideration to applications for employment made by disabled persons having regard to their aptitudes and abilities. Appropriate training is arranged for disabled persons, including retraining for alternative work of employees who become disabled, to promote their career development within the organisation. The Group is committed to the long-term sustainability of its operations and as a result it extensively invests in the development of its work force.

The Group has established an Apprentice Academy, so that it can recruit, develop and retain more apprentices as it plans for its growth. In addition to this each employee has a development plan in place that details the statutory and developmental training that they will receive during the year.

# Cory Environmental Holdings Limited

## Directors' report for the year ended 31 December 2023 (*continued*)

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### Streamlined energy and carbon reporting

For details of the Company's streamlined energy and carbon reporting (SECR) as required for unquoted large companies please see the ultimate parent Company financial statements of Cory Topco Limited. Copies of the financial statements of Cory Topco Limited can be obtained from Level 5, 10 Dominion Street, London, EC2M 2EF or directly from Companies House. You can also view the SECR in the Group's Annual Report at [www.corygroup.co.uk](http://www.corygroup.co.uk).

We are committed to transparency and have therefore decided to report beyond the minimum requirements for Unquoted Large Companies, by including our annual Greenhouse Gas Emissions (GHG) emissions from activities for which the Company is responsible including combustion of fuel and operation of any facility; and the annual emissions from the purchase of electricity, heat, steam or cooling by the Company for its own use.

### Corporate governance

For further details on corporate governance please see the ultimate parent company financial statements of Cory Topco Limited. Copies of the financial statements of Cory Topco Limited can be obtained from Level 5, 10 Dominion Street, London, EC2M 2EF or directly from Companies House. You can also view further information about the Group's corporate governance in the Group's Annual Report at [www.corygroup.co.uk](http://www.corygroup.co.uk).

### Post balance sheet events

The Company paid a post year-end interim dividend of £18.2m in January 2024.

### Directors

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

B J Butler

D I Sutherland

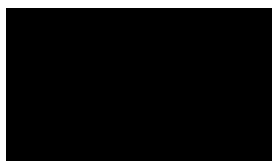
Appropriate directors' and officers' liability insurance cover is in place in respect of all of the Company's directors.

### Auditor

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

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

### On behalf of the Board



B J Butler

**Director**

16 August 2024

# **Cory Environmental Holdings Limited**

## **Directors' responsibilities statement for the year ended 31 December 2023**

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

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

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

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

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

# Cory Environmental Holdings Limited

## Independent auditor's report for the year ended 31 December 2023

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

#### Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Cory Environmental Holdings Limited ("the Company") for the year ended 31 December 2023 which comprise Income statement, Statement of comprehensive income, Balance sheet, Statement of changes in equity, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

#### Other information

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

# Cory Environmental Holdings Limited

## Independent auditor's report for the year ended 31 December 2023

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### Other information

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Other Companies Act 2006 reporting

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

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

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

#### *Extent to which the audit was capable of detecting irregularities, including fraud*

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

# Cory Environmental Holdings Limited

## Independent auditor's report for the year ended 31 December 2023

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### Auditor's responsibilities for the audit of the financial statements (continued)

#### *Non-compliance with laws and regulations*

Based on:

- Our understanding of the Company and the industry in which it operates;
- Discussion with management and those charged with governance; and
- Obtaining and understanding of the Company's policies and procedures regarding compliance with laws and regulations.

We considered the significant laws and regulations to be the applicable accounting framework, Companies Act 2006, Corporate and VAT legislation, Streamlined Energy Reporting, Employment Taxes, Health and Safety legislation, Environmental Regulations and the Bribery Act 2010.

The Company is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be company law, health and safety legislation, tax legislation, bribery act, employment legislation, corporation tax and VAT legislation as applicable including the financial reporting framework.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation; and
- Involvement of tax specialists in the audit.

#### *Fraud*

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Company's policies and procedures relating to:
  - Detecting and responding to the risks of fraud; and
  - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Based on our risk assessment, we considered the area most susceptible to fraud to be management override of control via posting inappropriate journal entries.

Our procedures in respect of the above included:

- Performed information produced by entity (IPE) testing regarding the completeness and accuracy of journal entries; and
- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

# Cory Environmental Holdings Limited

## Independent auditor's report for the year ended 31 December 2023

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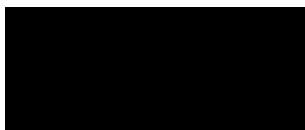
### Auditor's responsibilities for the audit of the financial statements (continued)

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

### Use of our report

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



Marc Reinecke (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
London, UK  
19 August 2024

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

# Cory Environmental Holdings Limited

## Income statement for the year ended 31 December 2023

	Note	2023 £'000	2022 £'000
Administrative expenses (excluding exceptional items)	3	(496)	11,181
Exceptional items	4	(6,464)	(1,768)
Administrative expenses		(6,960)	9,413
<b>Operating (loss)/profit</b>	7	(6,960)	9,414
Dividends received	6	66,046	63,586
Interest receivable	8	29,121	-
Interest payable	9	(37,845)	(2,371)
<b>Profit on ordinary activities before taxation</b>		50,362	70,629
Taxation on profit from ordinary activities	10	3,941	(438)
<b>Profit for the financial year</b>		54,303	70,191

The notes on pages 25 to 36 form part of these financial statements.



# Cory Environmental Holdings Limited

## Statement of comprehensive income for the year ended 31 December 2023

	Note	2023 £'000	2022 £'000
<b>Profit for the financial year</b>		<b>54,303</b>	70,191
Revaluation of investments	12	<b>(589,030)</b>	436,107
<b>Total comprehensive (loss)/income for year</b>		<b>(534,727)</b>	506,298

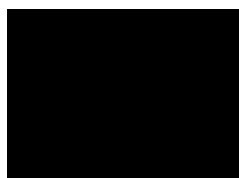
The notes on pages 25 to 36 form part of these financial statements.

# Cory Environmental Holdings Limited

## Balance sheet at 31 December 2023

<i>Company number 05360864</i>	<b>Note</b>	<b>2023 £'000</b>	<b>2023 £'000</b>	<b>2022 £'000</b>	<b>2022 £'000</b>
<b>Fixed assets</b>					
Tangible assets	11		<b>21</b>		36
Investments	12		<b>906,035</b>		1,495,065
			<b>906,056</b>		1,495,101
<b>Current assets</b>					
Debtors					
- falling due within one year	13	<b>436,796</b>		405,790	
- falling due after more than one year	14	<b>997</b>		15	
Cash at bank and in hand		<b>23,369</b>		79,901	
		<b>461,162</b>		485,706	
<b>Creditors: amounts falling due within one year</b>	15	<b>(438,450)</b>		(403,912)	
<b>Net current assets</b>			<b>22,712</b>		81,794
<b>Total assets less current liabilities</b>			<b>928,768</b>		1,576,895
<b>Net assets</b>			<b>928,768</b>		1,576,895
<b>Capital and reserves</b>					
Called up share capital	16		-		-
Profit and loss account			<b>373,227</b>		432,324
Revaluation reserve			<b>555,541</b>		1,144,571
<b>Shareholders' funds</b>			<b>928,768</b>		1,576,895

The financial statements were approved by the Board of Directors and authorised for issue on 16 August 2024.



**B J Butler**  
**Director**

The notes on pages 25 to 36 form part of these financial statements.

# Cory Environmental Holdings Limited

## Statement of changes in equity for the year ended 31 December 2023

	Share capital £'000	Revaluation reserve £'000	Profit and loss account £'000	Total equity £'000
<b>At 1 January 2022</b>	-	708,464	406,733	1,115,197
Profit for the year	-	-	70,191	70,191
Revaluation of investments (see note 12)	-	436,107	-	436,107
<b>Total comprehensive income for the year</b>	-	436,107	70,191	506,298
Dividends paid	-	-	(44,600)	(44,600)
<b>At 31 December 2022</b>	-	1,144,571	432,324	1,576,895
	Share capital £'000	Revaluation reserve £'000	Profit and loss account £'000	Total equity £'000
<b>At 1 January 2023</b>	-	1,144,571	432,324	1,576,895
Profit for the year	-	-	54,303	54,303
Revaluation of investments (see note 12)	-	(589,030)	-	(589,030)
<b>Total comprehensive income for the year</b>	-	(589,030)	54,303	(534,727)
Dividends paid	-	-	(113,400)	(113,400)
<b>At 31 December 2023</b>	-	555,541	373,227	928,768

The notes on pages 25 to 36 form part of these financial statements.

# Cory Environmental Holdings Limited

## Notes forming part of the financial statements for the year ended 31 December 2023

### 1 Accounting policies

Cory Environmental Holdings Limited is a private Company limited by shares incorporated in England and Wales under the Companies Act. The address of the registered office is given on the contents page and the nature of the Group's operations and its principal activities are set out in the Strategic report. The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

The following principal accounting policies have been applied:

#### *Exemption from preparing consolidated financial statements*

The financial statements contain information about Cory Environmental Holdings Limited as an individual Company and do not contain consolidated financial information as the parent of a group. The Company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertaking are included by full consolidation in the consolidated financial statements of Cory Topco Limited, a Company registered in England & Wales, and the parent undertaking of the smallest group of which the company is a member and for which group financial statements are prepared.

#### *Company disclosure exemptions*

As its results are included in consolidated financial statements of Cory Topco Limited (parent), the Company has taken advantage of the following disclosure exemptions available under FRS102:

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

#### *Going concern*

The company is part of a Group of companies owned by Cory Topco Limited. The Group has complied with all the conditions of its debt facility covenants, and the directors have carried out detailed forward projections and have concluded that it is likely that the Group will continue to comply for the foreseeable future. Below is an extract from those Group accounts.

The Board has reviewed its financial forecasts and considered the availability of cash reserves and headroom over banking covenants. As part of this review the Board has assessed a number of financial scenarios, and combinations thereof, that last for a period of at least 12 months from the date that the financial statements have been signed. In addition to these scenarios, the Board has also considered the impact of climate change risk and whether there are any further internal or external factors that could have a significant impact on the financial performance and position of the business. The Directors conclude that there is a reasonable prospect that the business will continue to be a going concern for the foreseeable future.

The directors acknowledge that the company has an intercompany payable to other group companies. The company has received non-binding letters of support from the other group companies that a demand for repayment of the payables will not be made in the foreseeable future, being a period of at least 12 months from the date the accounts are signed.

Having considered the above and the detailed projections of the group, the directors of Cory Environmental Holdings Limited have concluded that the business has adequate resources to continue in operation for the foreseeable future.

# Cory Environmental Holdings Limited

## Notes forming part of the financial statements for the year ended 31 December 2023 (*continued*)

### 1 Accounting policies (*continued*)

#### *Exceptional items*

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

#### *Tangible assets*

Tangible assets are initially recorded at historical cost. Historical cost includes 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. The Company capitalises the cost of replacing parts of existing tangible assets if, and only if, the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the corresponding replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

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

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income or losses' in the statement of comprehensive income.

#### *Depreciation*

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:

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

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

# Cory Environmental Holdings Limited

## Notes forming part of the financial statements for the year ended 31 December 2023 (*continued*)

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### 1 Accounting policies (continued)

#### *Investments*

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

The fair value of the fixed asset investment is based on market values where available.

Consideration of all relevant factors in the discounted cashflow valuation appraisal is conducted on an annual basis. If the investment value falls within an acceptable range of values that can be attributed to valuation subjectivity, management will not adjust the value of the investment.

#### *Financial assets*

Financial assets, other than investments and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost, less any impairment.

#### *Financial liabilities and equity*

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations rather than the financial instruments legal form. Financial liabilities, excluding derivatives, are initially measured at transaction price (after deducting transaction costs) and subsequently held at amortised cost.

#### *Current and deferred taxation*

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

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

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

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

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

#### *Interest income*

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

# Cory Environmental Holdings Limited

## Notes forming part of the financial statements for the year ended 31 December 2023 (*continued*)

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### 1 Accounting policies (*continued*)

#### *Pensions*

The Company operates 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.

#### *Long-term incentive schemes*

Other employee benefits accruing under long-term incentive schemes that are expected to be settled wholly within 12 months after the year-end are included within current liabilities. Other employee benefits that are not expected to be settled wholly within 12 months after the end of the reporting period are presented as non-current liabilities.

Management assess the likelihood of vesting criteria - which is continuation of employment - to measure the balance sheet liability at year-end.

#### *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 Company has legal or constructive obligations as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation.

#### *Holiday pay accrual*

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

#### *Related party exemption*

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

#### *Reserves*

The Company's reserves are as detailed in note 24.



# Cory Environmental Holdings Limited

## Notes forming part of the financial statements for the year ended 31 December 2023 (*continued*)

### 1 Accounting policies (*continued*)

#### *Dividends*

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

### 2 Significant judgements and key sources of estimation uncertainty

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

- Determine whether there are indicators of impairment of the Company's tangible assets. Factors taken into consideration in reaching such a decision include internal and external factors including the economic viability and expected future financial performance of the asset.
- Determine whether there are indicators of impairment regarding the Company's fixed asset investment. Factors taken into consideration in reaching such a decision include internal and external factors including the economic viability and expected future financial performance of the asset.

Other key sources of estimation uncertainty:

- *Investments (see note 12)*  
There is an element of estimation uncertainty in determining the fair value of the Company's fixed asset investment in the current year. The valuation was determined using a valuation technique as outlined in the accounting policies.

### 3 Administrative expenses

	2023 £'000	2022 £'000
<i>Included within administrative expenses are:</i>		
Provision for intercompany receivable	-	(11,602)
Audit fees	-	96
Depreciation	15	17
	<hr/>	<hr/>
	15	(11,489)
	<hr/>	<hr/>

In current year, auditor's remuneration was borne by the company's subsidiary, Riverside Resource Recovery Limited.

# Cory Environmental Holdings Limited

Notes forming part of the financial statements  
for the year ended 31 December 2023 (*continued*)

## 4 Exceptional items

	2023 £'000	2022 £'000
Project development	6,464	1,768
	<u>6,464</u>	<u>1,768</u>

The Company incurred project development costs which includes the development of the certain projects that are part of the long-term strategy of the ultimate parent of the Company, Cory Topco Limited. All costs relate to advisor fees borne by the Company.

## 5 Employees

	2023 £'000	2022 £'000
Staff costs consist of:		
Wages and salaries	404	225
Social security costs	32	57
Other pension costs	14	-
	<u>450</u>	<u>282</u>
The average number of employees during the year was as follows:	<b>Number</b>	<b>Number</b>
Administration	<u>2</u>	<u>1</u>

In 2023, no directors received remuneration from the Company for services to the Company during the year (2022 - £Nil). The remuneration for the directors for services to the group is paid by Riverside Resource Recovery Limited and is disclosed in that Company's financial statements.

# Cory Environmental Holdings Limited

Notes forming part of the financial statements  
for the year ended 31 December 2023 (*continued*)

## 6 Other income

During the year the Company received dividends from its subsidiary of £66,046k (2022 - £63,586k).

## 7 Operating profit

	2023 £'000	2022 £'000
This has been arrived at after charging:		
Depreciation - owned assets	15	17
Audit fees	-	96
	<u>          </u>	<u>          </u>

## 8 Interest receivable

	2023 £'000	2022 £'000
Interest receivable	29,121	-
	<u>          </u>	<u>          </u>

## 9 Interest payable

	2023 £'000	2022 £'000
Interest payable	37,845	2,371
	<u>          </u>	<u>          </u>

## 10 Taxation on profit from ordinary activities

	2023 £'000	2023 £'000	2022 £'000	2022 £'000
<i>UK corporation tax</i>				
Current tax on (loss)/profit for the year		(2,637)		451
Adjustment in respect of previous periods		(322)		-
		<u>          </u>		<u>          </u>
Total current tax (credit)/charge		(2,959)		451
<i>Deferred tax</i>				
Origination and reversal of timing differences	(924)		17	
Difference between current and deferred tax rates	(58)		(37)	
Adjustments in respect of previous periods	-		7	
	<u>          </u>		<u>          </u>	
	(982)		(13)	
		<u>          </u>		<u>          </u>
Taxation (credit)/charge on profit on ordinary activities		(3,941)		438
		<u>          </u>		<u>          </u>

For further information on deferred tax balances refer to note 19.

# Cory Environmental Holdings Limited

## Notes forming part of the financial statements for the year ended 31 December 2023 (*continued*)

### 10 Taxation on profit from ordinary activities (*continued*)

The tax assessed for the year differs to the standard rate of corporation tax in the UK applied to profit before tax. The differences are explained within the table below:

	2023 £'000	2022 £'000
Profit on ordinary activities before tax	50,362	70,191
Taxation on profit on ordinary activities at the standard rate of corporation tax in the UK of 23.52% (2022 - 19.0%)	11,845	13,336
Effects of:		
Expenses not deductible for tax purposes	1,046	846
Income not taxable	(15,534)	(13,525)
Adjustments in respect of prior periods	(322)	(36)
Deferred tax not recognised	(918)	(189)
Difference between current and deferred tax rates	(58)	6
Total tax (credit)/charge for period	(3,941)	438

The main rate of UK corporation tax is 23.52% in the current period (2022 – 19%). The Company has deferred tax assets not recognised of £89k (2022 - £989k).

### 11 Tangible assets

	Short leasehold £'000	Plant and machinery £'000	Totals £'000
<i>Cost</i>			
At 1 January 2023	61	257	318
Disposals	-	-	-
At 31 December 2023	61	257	318
<i>Depreciation</i>			
At 1 January 2023	46	236	282
Charge for the period	15	-	15
Disposals	-	-	-
At 31 December 2023	61	236	297
<i>Net book value</i>			
At 31 December 2023	-	21	21
At 31 December 2022	15	21	36

# Cory Environmental Holdings Limited

Notes forming part of the financial statements  
for the year ended 31 December 2023 (*continued*)

## 12 Investments

Company	2023 £'000	2022 £'000
<i>Cost:</i>		
At 1 January 2023	1,495,065	1,062,475
Revaluation	(589,030)	436,106
Additions	-	-
Impairment	-	(3,516)
Cost at 31 December 2023	906,035	1,495,065
<i>Net book value:</i>		
At 31 December 2023	906,035	1,495,065

In the current year the Company's investments have been valued using a discounted cashflow approach. The valuation performed, adjusted for the net debt at Cory Environmental Holdings Limited and its subsidiaries, was used to calculate the fair value of the Company's investment in its subsidiaries.

At the 31 December 2023 the Company holds 100% of the equity share capital of the following subsidiary companies. All entities are incorporated in the UK.

Company	Nature of business
<i>Held Directly</i>	
Cory Riverside Energy Finance Limited	Holding company
SAS Depot Limited	Holding company
Riverside Energy Park Holdings Limited	Holding company
RHN Holdings Limited	Holding company
<i>Held Indirectly</i>	
RHN Developments Limited	Project development
Riverside Energy Park Limited	Infrastructure development
Cory Barking Holdings Limited	Holding company
Cory Barking Operations Limited	Property holding company
Cory Barking Property Limited	Waste management services
Cory Riverside Energy Holdings Limited	Holding company
Cory Riverside (Holdings) Limited	Holding company
Cory Environmental Limited	Waste management services
Riverside Resource Recovery Limited	Waste management services
Riverside (Thames) Limited	Waste management services
Cory Ship Repair Services Limited	Ship repair services

The registered office of the Company's subsidiaries is Level 5, 10 Dominion Street, London, EC2M 2EF.

# Cory Environmental Holdings Limited

Notes forming part of the financial statements  
for the year ended 31 December 2023 (*continued*)

## 13 Debtors: amounts falling due within one year

	2023 £'000	2022 £'000
Amounts owed by parent undertakings	433,131	404,252
Other debtors	925	1,536
Corporation tax	2,637	-
Deferred tax asset (note 19)	-	-
Prepayments and accrued income	103	2
	<u>436,796</u>	<u>405,790</u>

Amounts owed by parent undertakings are unsecured and repayable on demand. No interest was charged on outstanding balances during the year (2022 - none).

## 14 Debtors: amounts falling due after more than one year

	2023 £'000	2022 £'000
Deferred tax asset (note 19)	997	15
	<u>997</u>	<u>15</u>

## 15 Creditors: amounts falling due within one year

	2023 £'000	2022 £'000
Trade creditors	9	1,019
Other creditors	367	294
Accruals	2,464	5,276
Amounts owed to group undertakings	435,610	396,872
Corporation tax	-	451
	<u>438,450</u>	<u>403,912</u>

Amounts owed to parent undertakings are unsecured and repayable on demand. No interest was charged on outstanding balances during the year (2022 - none).

## 16 Share capital

	2023 Number	2022 Number	Allotted, called up and fully paid 2023 £'000	2022 £'000
'A' ordinary shares of £0.01 each	85	85	-	-
'B' ordinary shares of £0.01 each	15	15	-	-
	<u>100</u>	<u>100</u>	<u>-</u>	<u>-</u>

# Cory Environmental Holdings Limited

Notes forming part of the financial statements  
for the year ended 31 December 2023 (*continued*)

## 17 Commitments under operating leases

The Company had minimum lease payments under operating leases as set out below:

	2023 £'000	2022 £'000
Within one year	1,611	1,418
Between one and five years	2,398	6,488
Over five years	-	8,094
	<u>4,009</u>	<u>16,000</u>

## 18 Pension commitments

The Company primarily operates the following defined contribution pension schemes:

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

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

The total pension cost charge includes contributions payable by the Company to the funds and amounted to £14k (2022 - £nil).

## 19 Deferred taxation

### Deferred tax asset

	2023 £'000	2022 £'000
Deferred tax asset at beginning of year	15	2
Charged to income statement	982	13
	<u>997</u>	<u>15</u>

# Cory Environmental Holdings Limited

## Notes forming part of the financial statements for the year ended 31 December 2023 (*continued*)

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### 20 Key management personnel

Key management personnel include all directors across the Company who together have the authority and responsibility for planning, directing and controlling the activities of the Company.

### 21 Related party transactions

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

### 22 Ultimate parent undertaking and controlling party

The ultimate controlling party of Cory Environmental Holdings Limited is Cory Topco Limited.

The Company's immediate parent undertaking is Viking Consortium Acquisition Limited, a Company incorporated in the UK.

Copies of the financial statements of Cory Riverside Energy Holdings Limited and Cory Topco Limited can be obtained from Level 5, 10 Dominion Street, London, EC2M 2EF or directly from Companies House.

### 23 Post balance sheet events

The Company paid a post year-end interim dividend of £18.2m in January 2024.

### 24 Reserves

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

Reserve	Description and purpose
Profit and loss account	Cumulative profits or losses, net of dividends paid and other adjustments available for distribution. Transfer of losses on fixed asset investments post revaluation reserve being reduced to £nil.
Revaluation reserve	Gains/losses arising on the revaluation of the Company's fixed asset investments.





## DECARBONISATION

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