

Registered number: 01677389


Group Fabricom Limited

Unaudited

Annual report and financial statements

For the Year Ended 31 December 2021

FT MONDAY



ABECQHPU

A05	10/10/2022	#303
	COMPANIES HOUSE	
	ABD02CGQ	
A42	30/09/2022	#252
	COMPANIES HOUSE	

Group Fabricom Limited

Company Information

Directors	J Scanlon C Thorn
Company secretary	J Knight
Registered number	01677389
Registered office	Suez House Grenfell Road Maidenhead Berkshire SL6 1ES

Group Fabricom Limited

Contents

	Page
Strategic report	1 - 6
Directors' report	7 - 9
Statement of financial position	10
Statement of changes in equity	11
Notes to the financial statements	12 - 19

Group Fabricom Limited

Strategic report For the Year Ended 31 December 2021

Business Review

The Company acts as a holding company within the SUEZ Recycling and Recovery Holdings UK Limited Group. The Company has not traded during the current or prior year, and is not expected to do so for the foreseeable future.

In the year ended 31 December 2021, the Company received dividends of £Nil (2020 - £Nil).

Principal risks and uncertainties

Group Fabricom Limited is a holding company and as such is subject to the risks faced by its trading subsidiary companies. These risks and uncertainties are set out in the directors' report of the consolidated financial statements of the Company's immediate parent company, SUEZ Recycling and Recovery Holdings UK Limited.

COVID-19

The Board continued to closely monitor developments of the COVID-19 pandemic, managed through a Gold and Silver cell structure, implementing and improving the Business Continuity Plans for all sites and offices to ensure that they were COVID-19 secure, including the distribution of required Personal Protective Equipment (PPE) to ensure business continuity and the health and safety of all employees. These groups worked within the advice from SUEZ Recycling and Recovery UK Group ("The Group") and Public Health England, having daily calls to determine any actions needed.

Operational update:

The year has seen the business face a number of challenges from the evolving COVID-19 pandemic, including, HGV driver shortages and fuel supply issues, particularly the hospitality sector, with service requirements changing throughout the year. Despite this, the municipal crews successfully managed higher tonnages and navigated the access issues created by the shift to more residents working from home.

This in turn affected our team in the customer hub who saw a large increase in calls from customers in one week. The introduction of our new, Customer Relationship Management (CRM) system, and a new call centre system, is improving our customers' experience, with the hub team able to resolve more queries at first contact with the customer.

Against the pandemic backdrop, we started our retained contracts in Kensington and Chelsea, introduced new services and rolled out food waste collections in Bracknell and new contracts in Monmouthshire Household Waste Recycling Centre (HWRC) and South London Waste Partnership Street Sweepings. Our account managers and sales teams worked hard to retain 91.2% of our customers and win new contracts including Dry Mixed Recycling (DMR) contracts in Aberdeenshire, Highlands, Solihull, Blackburn and Darwen, amongst others.

One of our contract managers gave an interview on local BBC Radio to help highlight the impact of verbal and physical abuse on our crews and other frontline workers.

The Directors are proud of our teams who pulled together throughout the year to weather the various storms and for maintaining essential services for our customers.

Group Fabricom Limited

Strategic report (continued) For the Year Ended 31 December 2021

Ukraine Conflict

The Directors have considered the impact of the war in Ukraine on The Group in the UK. The Group is not directly reliant on Ukrainian or Russian suppliers or customers and as such The Group's exposure is mainly due to macroeconomic factors. Whilst inflationary pressure is being seen on labour, fuel and raw materials costs, The Group has some protection due to many of its contracts with public bodies also being index linked. The Group has no variable rate debt and as such is not exposed to any increased interest costs should interest rates rise further.

The Group has made a donation to the Disasters Emergency Committee fundraising programme in response to the Ukraine crisis, and has enabled employees to do likewise through payroll giving. Many of our sites have collection points for clothing and other practical items which have been donated by members of the public. The Group also continues its Wellbeing programme to support employees who have been affected by the crisis.

Section 172 statement

The Directors are aware of their duty under section 172 of the Companies Act 2006 (as amended) (the Act) to act in a way which they consider good faith and would be most likely to promote the success of the Company for the benefit of the shareholders as a whole. The Board approaches its decision making having regard to the matters set out in section 172(1) (a) – (f) of the Act, ensuring wider stakeholder engagement, as set out in the below examples.

S172(1)(a) The likely consequences of any decision in the long term

During the year, the Directors, in consultation with the senior management of the Company, developed and approved business plans and targets for the current and proceeding financial years. Following which, the Directors closely monitored the Company's implementation throughout the year.

In developing such business plans and targets, the Directors, in addition to considering the views of stakeholders and the wider group objectives, also considered other factors such as economic, political and ongoing challenges within the waste management sector to ensure both financial and operating strategy are set at sustaining levels in achieving the long term success of the Company.

The focus of the Board has been the SUEZ/Veolia merger and to drive The Group towards achieving its goals alongside its commitment to improve in each of the following eight Critical Success Factors (CSFs):

- Safety;
- Sustainable environment;
- Social value;
- Digitisation and data accuracy;
- Customer loyalty;
- Profitable business;
- Continuous improvement;
- Engaged and empowered people.

CSFs are the lens through which the Company judges how well the Company is meeting its goals and targets and provides an indication of how, and where, to prioritise future focus areas, particularly with regards to the SUEZ/Veolia merger.

The lean process is critical to improving our customer and employee value and it is the method of continuous improvement towards excellence through the alignment of the voice of customers, businesses, and shareholders. It is instrumental in developing our culture towards a lean and systems thinking approach. Periodic reviews are carried out and the Company will continue to focus on analysing processes and organising workplaces to improve efficiency at an operational and local department level.

Group Fabricom Limited

Strategic report (continued) For the Year Ended 31 December 2021

The Directors of the Company delegated certain duties and responsibilities to various committees, further details can be found on page 4 of the strategic report, and received regular and timely information (at least monthly) on all key aspects of the business including health and safety, risks and opportunities, the financial performance of the business, strategy, operational matters, market conditions and sustainability.

In addition to the above the following were part of a list of strategic priorities identified by the Directors and senior management throughout 2021 including:

- Development of The SUEZ Way and The SUEZ Way management system;
- Development and roll out of The SUEZ Way Leadership Programme;
- Supporting SUEZ Performance and Operations Transformation (SPOT) 2023, The Group's transformation performance plan focused on how to work together as efficiently and effectively as possible for the benefit of our customers and shareholders;
- Delivery and implementation of The Group's Six Golden Rules;
- Supporting sites with preparation for Lean maturity reviews;
- Maintaining the SUEZ Business System (SBS) audits;
- Delivery of the lean academy training programme.

S172(1)(b) The interests of the Company's employees

The Directors of the Company and senior management engage with, and take into account, the views of employees in making decisions which are likely to affect their interests through a number of initiatives including:

- Group-wide employee surveys as well as other ad-hoc surveys on employee experience and workplace related matters. In November 2021 a climate survey covering health, safety and wellbeing was carried out to determine how behaviours, values, tools, resources and the vision within the organisation is perceived by all employees;
- The SUEZ UK Works Council (SWC) established a forum for dialogue between people leaders and employees who through their representatives are informed and consulted on key business issues that are likely to have a substantial impact on their working environment as well as making recommendations to improve employee experience and well-being. With regards to the SUEZ/Veolia merger, consultation with the European Works Council (EWC) started on 6 May 2021. The EWC is the European equivalent of our SWC upon which two of our SWC representatives also sit. This is an important process where more information around the specific details of the transaction was discussed and consulted upon. Similarly, in the UK we followed the procedures laid down within the SWC constitution and consulting on the process with the UK works council;
- Regular employee communications including newsletters and business updates;
- The SUEZ Way Leadership programme for senior management was launched in 2021, developed by the Transformation and Learning and Development teams, with the aim to develop our managers' lean leadership capabilities so we have consistent working practices throughout the Company. The course consists of two modules – a foundation module that will provide a refresher on leadership best practice, followed by a module that blends this learning with advanced lean leadership;
- Supporting a growing number of active employee-led networks on matters including diversity and inclusion, gender equality, LGBT+ and religious and cultural understanding;
- Supporting a number of group-wide and local health and wellness initiatives which includes encouraging employees to volunteer, focus on physical or emotional health, or spend time on personal and/or career development; and
- The group-wide Inclusion and Diversity Council is made up of team members from across The Group's business and functions who create and review detailed plans to ensure accountability and achievement of diversity goals across The Group.

S172(1)(c) The need to foster the Company's business relationships with suppliers, customers and others

The Directors oversaw a broad program of stakeholder engagement by the Company in ensuring good corporate citizenship as well as bilateral and multilateral dialogue with key stakeholders throughout the year as follows:

- The Directors and senior management regularly engaged and consulted with the Company's customers, suppliers and partners in a variety of forums and through everyday operations to obtain feedback, build

Strategic report (continued)
For the Year Ended 31 December 2021

closer relationships and resolve day-to-day business matters. The Company employed various customer experience insight tools and obtained customer satisfaction and other related data through customer surveys. The insight tools enabled us to identify customer needs and build customer value propositions and services tailored to meet these. Understanding performance of our Customer Standards from customers' perspective, gives key insights to direct continuous improvement activities through transformation projects or/and small incremental changes. The insight supports our efforts to make it easy for our customers to deal with us – one of the fundamental customer needs, and supports our continuous service improvement and relationships deepening efforts;

- The Company participated in a number of customer and industry events at a local and group-wide level including presenting at the 26th United Nations Climate Change Conference of the Parties (COP26) live event in Glasgow focusing on the resources sector and its involvement in the decarbonisation objectives set out by COP and hosting a site visit and tour of our engineering facilities at Packington Landfill near Birmingham by the Worcestershire branch of the Institute of Mechanical Engineers (IMechE);
- Government and industry engagement is regularly undertaken including through membership of recognised organisations such as the Environmental Services Association (ESA), Chartered Institution of Wastes Management (CIWM), and local authority trade bodies such as the Association of Directors of Environment, Economy, Planning and Transport (ADEPT), Local Government Association (LGA), The Local Authority Recycling Advisory Committee (LARAC), Confederation of British Industry and Let's Recycle; and
- The Company's Compensation and Benefits functions regularly engaged with, and where appropriate consulted, the trustees of the Company's pension schemes, updating and consulting the Board, as appropriate on key matters and decisions.

S172(1)(d) The impact of the Company's operations on the community and the environment

The Company and our employees believe it is important to give something back to the communities we work in and to society. We do this in many ways. We organise these activities into a programme under our corporate responsibility strategy and call it 'Giving Something Back'. The programme aims to encourage everyone in the Company to get involved with local causes and support national charities.

Engagement normally takes place locally through our local offices and sites, with many individuals from our operations and the planning team having regular two-way conversations with community representatives to discuss our activities and the local topics that impact us both. The Science, Technology, Engineering and Mathematics (STEM) programme helps to improve the learning and career prospects of local people at the same time as enhancing our reputation and helping to develop our people, our education programmes, community consultation and involvement through various community Trusts. In 2021 we supported the annual one day schools STEM event at the 'Festival of Innovation' in Malvern Worcestershire at which a STEM Ambassador staffed an Institute of Mechanical Engineers' stand and, although attendance was down from over 800 students to 240, this face-to-face event was positively received.

We maintain a collaborative and positive relationship with our key environmental regulators, the Environment Agency and Scottish Environmental Protection Agency. More details of how the Company promotes its purpose of protecting our environment by putting waste to good use is set out in the Environmental matters section of the Directors' report (page 8).

Using the Social Profit Calculator tool, The Group can now understand and demonstrate the social value created at the level of a local community or individual project, as well as Company-wide. We know the social value commitments we make to our clients and this is guiding decision-making across the business. Our four values are:

- Having passion for the environment by contributing to preserving and restoring the planet's natural capital,
- Putting the customer first by being accountable and open-minded developing a partnership culture to provide the best solutions for our customers and clients,
- Respect by caring for the safety and wellbeing of everyone, acting ethically and with integrity and respecting diversity of skills, personalities and background, and
- Team spirit by learning from and trusting others.

The Group agreed a renewable electricity self-supply deal, which enables SUEZ to power UK operations with 100% own-generated renewable electricity. Thereby reducing the businesses impact on the environment when

Group Fabricom Limited

Strategic report (continued) For the Year Ended 31 December 2021

compared with non-renewable sources.

As a net exporter of energy with over 300 sites in the UK, many of which generate renewable electricity, SUEZ aims to close the loop by using own-generated electricity from its facilities to power all business operations in the UK. The renewable electricity generated by us is a combination of energy generated from energy-from-waste facilities (EfW) and landfill gas sites. In the UK, approximately 10% of the renewable electricity generated is supplied directly back to the business through the self-supply deal.

SUEZ receives a Renewable Energy Guarantee of Origin (REGO) certificate for every megawatt hour of renewable electricity generated, from the regulator, Ofgem, which verifies that the electricity is 100% renewable. SUEZ is able to supply the rest of the business and operations at all of its 300 sites across the UK with own-generated renewable power. This includes self-supply to large Private Finance Initiative (PFI) waste contracts, including Greater Manchester, Cornwall and West London. As the deal is REGO certified, the electricity is guaranteed as 100% renewable.

Under Sustainable Environment we celebrated biodiversity improvements across the business including:

- The team from our road sweeping facility in Walsall demonstrated The Group's commitment to sustainability and social value by helping a local infant school go green by donating upcycled planters, bird boxes, bug hotels and water bottles;
- Significantly reduced fly-tipping around the river water pumping station in Bolton where we supply power to the Council's CCTV system;
- Flora and fauna around the various sites including Tees Valley and Maidenhead are developing nicely;
- Five beehives installed at Seghill in collaboration with a local beekeeping society have already started producing honey and the enhancement of our biodiversity programme.

We also launched our Sustainable Environment Activity Tracker (SEAT) app which makes it easier for our employees to capture and communicate all the positive social and environmental actions we undertake. The data from the app is used to identify and promote good ideas and practices across the business and for our sustainability report and social profit calculations to ensure we are calculating our future social profit based on all of our activities. At the end of 2021 there were 2578 completed events recorded in the SEAT. We began recruiting for our Sustainability Champions as well as continuing our charity endeavours raising £165,789 for our corporate charity partner, Macmillan Cancer Support!

Throughout the year, the Directors and management of the Company actively encouraged the Company's employees to participate in a number of activities including:

- The Group allows employees of the Company to donate their time and talent to their local community;
- The Company and its workforce participated in a group-wide Global Day initiative through a number of UK sponsored events which helped various charitable causes and local communities; and
- Throughout the year, despite the pandemic, our employees found ways to improve our environment and support our local communities from litter picks and creating habitats for wildlife, to supporting local charities and projects with schools.

The Group is committed to providing products and services that are environmentally safe throughout their lifecycles and conduct operations in an environmentally responsible and sustainable manner.

Accordingly, the Company participates in a number of group-wide initiatives on environmental responsibility and sustainability, further details of which can be found in our sustainability report for 2021 which went live in October 2021 and is available to download from our website www.suez.co.uk.

S172(1)(e) The desirability of the Company maintaining a reputation for high standards of business conduct

The Group has group-wide policies as well as mandatory annual Ethics training which apply to the Company's entire workforce and govern business practices and provides guidance for ethical decision making. These group-wide policies govern conduct with the Company's customers, suppliers, partners as well as matters relating to anti-corruption, conflicts of interest, amenities, workplace harassment and supply chain responsibility amongst many other key matters.

The Group has a separately designated standing Audit team and function which continuously throughout the

Group Fabricom Limited

Strategic report (continued) For the Year Ended 31 December 2021

year, on a weekly basis, conducts internal compliance audits of The Group's business operations and functions including those of the Company.

Every person in their day-to-day behaviour, in the way they perform their roles and responsibilities and in their business dealings with others, must apply The Group's values and ethics principles, which are:

- Acting in accordance with laws and regulations;
- Establishing a culture of integrity;
- Behaving fairly and honestly;
- Respecting others.

Each person should seek to use good sense and judgment in his/her actions, which is why it is normal and natural to discuss the ethical questions and dilemmas inherent in any professional activity with colleagues and line managers. Identifying ethical conduct and avoiding mistakes are processes that contribute to the pursuit of excellence. Ethical behaviour requires both personal and team commitment.


S172(1)(f) The need to act fairly as between members of the Company

For the year under review, we have been a wholly owned subsidiary within The Group. With the Chief Executive Office and the Finance Director also sitting on our Board. Relevant decisions of the Board are also discussed, where relevant, at the meetings of the Parent Company Board.

Other key performance indicators

Given the straightforward nature of the business the company's directors are of the opinion that no added value would be achieved in detailing KPIs for a fuller understanding of the development, performance and position of the Company.

This report was approved by the board on 29 September 2022 and signed on its behalf.



C Thorn
Director

Group Fabricom Limited

**Directors' report
For the Year Ended 31 December 2021**

The directors present their report and the financial statements for the year ended 31 December 2021.

Directors

The directors who served during the year were:

F Duval (resigned 31 October 2021)
J Scanlon
C Thorn

**Directors' report (continued)
For the Year Ended 31 December 2021**

Engagement with suppliers, customers and others

Customers

The Board engages with key customers and clients through the Regional Directors who provide the Board with regular information about customers in various reports produced throughout the business by the commercial and management teams.

During 2021, as well as the results of the Customer Effort Scores, the metric by which we measure customer satisfaction, which showed very strong performance in all areas, the Company received thanks and praise coming in from our customers and residents via its social media channels and staff from our collection contract.

Suppliers

The Group primarily engages with our suppliers via its website and procurement teams as well as through other business support functions including the commercial and legal.

The Board receives information through various group's Board reports produced throughout the business.

To contribute to Digitalisation and Data Accuracy, during the year The Group started working on a new Customer Relationship Management (CRM) system, launched the sub-contractor portal and successfully rolled out CORE in-cab technology in 140 new municipal vehicles in Somerset. The in-cab system replaces paper route sheets and forms with electronic checks and automated accurate and up-to-date service information. It enables staff to be better informed, helps to reduce the number of data entry errors and missed bins as well as allowing quicker reaction and effective resolution to complaints and service calls. The reporting and analytics studies of the data collected enables the Company to reallocate resources and optimise performance.

Other stakeholders

Other key stakeholders include the Government, Regulators and Local Authorities and due to COVID-19, face-to-face meetings and site visits were replaced by video-conferencing and calls.

The CEO, some Directors and senior managers had calls with members of Government, other political parties and senior officials to provide an overview of the recycling and recovery industry and to provide feedback on potential changes being considered by the Government.

The Group's business is heavily regulated with a large number of our key clients being local authorities. We perform customer engagement surveys and the performance of the business is regularly reported to the Board and OpCom on a monthly basis. The findings are used to improve customer engagement with knowledge being shared across The Group. On all large contracts, The Group hosts local community events to engage with local stakeholders.

During the year the Directors engaged with the Competition and Markets Authority (CMA) in relation to the SUEZ/Veolia merger providing fortnightly reporting and more frequently as matters progressed, seeking derogations where necessary.

The Environment

The Group's goals are to provide products and services that are safe and environmentally sound throughout their lifecycles, and conduct operations in an environmentally responsible manner. To accomplish this, the Company will:

- Pursue pollution prevention, energy conservation and waste reduction in operations;
- Design and manufacture products to be safe to use and to minimise their environmental impact;
- Offer customers environmentally responsible end-of-life management services for products; and
- Require suppliers to conduct their operations in a socially and environmentally responsible manner.

The Company achieves this by integrating these objectives into business planning, decision-making, performance tracking and review processes to ensure that goals are reached and continually improved upon.

Group Fabricom Limited

Directors' report (continued)
For the Year Ended 31 December 2021

Matters covered in the Strategic report

As permitted by Paragraph 1A of Schedule 7 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 certain matters which are required to be disclosed in the Directors' report have been omitted as they are included in the Strategic report. These matters relate to the review of the business performance.

This report was approved by the board on 29 September 2022 and signed on its behalf.



C Thorn
Director

Group Fabricom Limited
Registered number: 01677389

Statement of financial position
As at 31 December 2021

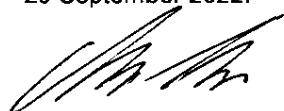
	Note	2021 £000	2020 £000
Fixed assets			
Investments	6	<u>48,795</u>	<u>48,795</u>
		48,795	48,795
Current assets			
Debtors: amounts falling due within one year	7	<u>7,346</u>	<u>7,346</u>
		7,346	7,346
Net assets		<u>56,141</u>	<u>56,141</u>
Capital and reserves			
Called up share capital	9	100,830	100,830
Share premium account	10	3,257	3,257
Profit and loss account	10	<u>(47,946)</u>	<u>(47,946)</u>
Shareholder's funds - equity		<u>56,141</u>	<u>56,141</u>

The members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The Company was entitled to exemption from the requirement to have an audit under section 479A of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 September 2022.



C Thorn
Director

The notes on pages 12 to 19 form part of these financial statements.

Group Fabricom Limited

**Statement of changes in equity
For the Year Ended 31 December 2021**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 January 2021	100,830	3,257	(47,946)	56,141
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	-	-
At 31 December 2021	100,830	3,257	(47,946)	56,141

The notes on pages 12 to 19 form part of these financial statements.

**Statement of changes in equity
For the Year Ended 31 December 2020**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 January 2017	100,830	3,257	(47,946)	56,141
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	-	-
At 31 December 2020	100,830	3,257	(47,946)	56,141

The notes on pages 12 to 19 form part of these financial statements.

Group Fabricom Limited

Notes to the financial statements For the Year Ended 31 December 2021

1. General information

Group Fabricom Limited is private company limited by shares, incorporated and domiciled in the United Kingdom. These financial statements cover the individual entity. The address of its registered office and principal place of business is SUEZ House, Grenfell Road, Maidenhead, Berkshire SL6 1ES.

The principal activities of the Company is that of a holding company.

The Company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

At year end, the Company's intermediate parent company is SUEZ Recycling and Recovery Holdings UK Limited, incorporated and registered in the United Kingdom, which owns 100% of the Company ordinary share capital.

At the balance sheet date, the ultimate parent company is SUEZ SA (following Veolia's acquisition now known as Vigie S.A.), a company incorporated and registered in France. The smallest group in which the Company is incorporated into is SUEZ Recycling and Recovery Holdings UK Limited and the largest is SUEZ SA. The consolidated financial statements of SUEZ SA may be obtained from 21 Rue La Boetie, 75008 Paris, France.

Ownership of SUEZ Recycling and Recovery Holdings UK Limited has changed since the balance sheet date, see note 11 for details.

The financial statements have been presented in Pounds Sterling as this is the functional currency of the Company and all values are rounded to the nearest thousand pounds (£000) except when otherwise indicated.

2. Accounting policies

2.1 Basis of preparation of financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) and the Companies Act 2006. The recognition, measurement and disclosure requirements of International Financial Reporting Standard have been applied to these financial statements and, where necessary, amendments have been made in order to comply with the Companies Act 2006 and The Large and Medium sized Companies and Groups Regulations 2008/410 ('Regulations').

These financial statements have been prepared under the historical costs convention.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

Group Fabricom Limited

**Notes to the financial statements
For the Year Ended 31 December 2021**

2. Accounting policies (continued)

2.2 Financial Reporting Standard 101 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures.
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement.
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment; and
 - paragraph 118(e) of IAS 38 Intangible Assets.
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements.
- the requirements of IAS 7 Statement of Cash Flows.
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures.
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.
- the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.
- the requirements of paragraphs 6 to 21 of IFRS 1 First-time adoption of International Financial Reporting.
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers.

The Company has NOT taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share based payment.
- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations.
- the requirements of paragraph 33(c) of IFRS 5 Non Current Assets Held For Sale and Discontinued Operations.
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraphs 76 and 79(d) of IAS 40 Investment Property; and
 - paragraph 50 of IAS 41 Agriculture.

**Notes to the financial statements
For the Year Ended 31 December 2021**

2. Accounting policies (continued)

Financial Reporting Standard 101 - reduced disclosure exemptions (continued)

The adoption of the following mentioned standards, amendments and interpretations in future years are not expected to have a material impact on the Company's financial statements:

Effective from 1 January 2022:

- Annual Improvements Cycle 2018 – 2020.
- IAS 37 Amendment: Onerous Contracts: Cost of Fulfilling a Contract.
- IAS 16 Amendment: Property, Plant and Equipment: Proceeds before Intended Use.
- IFRS 3 Amendment: Reference to the Conceptual Framework.

Effective from 1 January 2023:

- IAS 1 Amendment: Classification of Liabilities as Current or Non-current and Deferral of Effective Date.
- IAS 1 Amendment: Disclosure of Accounting Policies.
- IAS 8 Amendment: Definition of Accounting Estimates.
- IAS 12 Amendment: Deferred Tax related to Assets and Liabilities arising from a Single Transaction.
- IFRS 17 Insurance Contracts and IFRS 17 Amendment: Amendments to IFRS 17.

Group Fabricom Limited

Notes to the financial statements For the Year Ended 31 December 2021

2. Accounting policies (continued)

2.3 Going concern

The Company's going concern is intrinsically linked to the performance, risks and going concern of the SUEZ Recycling and Recovery UK Group ("The Group"). The Group has considerable financial resources together with long term contracts with a number of customers across different geographic areas and within different sectors of the recycling industry. As a result, the directors believe that The Group is well placed to manage its business risks successfully despite the current uncertain economic outlook.

The directors are of the opinion that the going concern basis continues to be the appropriate basis for the preparation of the financial statements as SUEZ UK Group Holdings Limited has confirmed its intention and ability to provide such financial support as may be necessary to allow the Company to continue to operate as a going concern and to meet all of its obligations in full until the change of ownership to SUEZ S.A. as described below. SUEZ UK Group Holdings Limited, has also confirmed that the Company will not be required to pay amounts due to other group undertakings unless the Company has sufficient funds to pay other creditors in full, during this period.

Following the change in ownership in-year (note 11), The Group now benefits from a current account overdraft facility from the French parent company SUEZ SA, now known as Vigie SA (ultimately owned by Veolia Environnement SA) to finance day to day activities. This facility is held by SUEZ UK Group Holdings Limited. It also benefits from long term loans with SUEZ SA, now known as Vigie SA (ultimately owned by Veolia Environnement SA) (Veolia) regarding some of our major infrastructure projects. The loans are subject to contractual terms and repayment schedules in line with the operational activities of the infrastructure that they finance.

The Group currently has no external (non group) loans in place. Cashflow forecasts for The Group show that it is not expected that the overdraft facility will be breached in the next 12 months, with significant headroom for any unknown events also. Therefore no sensitivity analysis has been performed.

On 25th August 2022 the UK Competition and Markets Authority (CMA) concluded that Veolia will be required to sell its interests in SUEZ Recycling and Recovery activities in the UK to remedy the competition concerns found. Veolia is obliged to continue its financial support to SUEZ Recycling and Recovery activities in the UK until this sale is complete via the current account overdraft facility currently in place. Thereafter, The Group will require funding from its new owners or from external finance markets. Veolia has agreed to sell its interest in SUEZ Recycling and Recovery activities in the UK to SUEZ S.A. subject to CMA approval. This is expected to be via the sale of the immediate holding company SUEZ Recycling & Recovery UK Group Holdings Limited.

SUEZ Recycling and Recovery Holdings UK has agreed Outline Heads of Terms with a UK bank for an overdraft facility of £75m should this be required following the change of ownership. Cashflow forecasts indicate adequate headroom between cash requirements over the next 12 months and the £75m overdraft limit. Long term loans currently held with Veolia will be taken on by the new owner with no changes in terms or conditions. Subsequent to the change in ownership, SUEZ Recycling and Recovery Holdings UK Limited has confirmed its intention and ability to provide such financial support as may be necessary to allow the Company to continue to operate as a going concern and to meet all of its obligations in full for the next twelve months from the signing date of these financial statements. SUEZ Recycling and Recovery Holdings UK Limited has also confirmed that the Company will not be required to pay amounts due to other group undertakings unless the Company has sufficient funds to pay other creditors in full, during this period.

Having made enquiries the directors have a reasonable expectation that the Company and The Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

**Notes to the financial statements
For the Year Ended 31 December 2021**

2. Accounting policies (continued)

2.4 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.5 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.6 Dividends

Revenue is recognised when the Company's right to receive payment is established

3. Judgments in applying accounting policies and key sources of estimation uncertainty

Due to uncertainties inherent in the estimation process, the Company regularly revises its estimates in light of currently available information. Final outcomes could differ from those estimates.

The key estimates used by the Company in preparing the Financial Statements relate to:

- the measurement of the recoverable amount of investments. In order to determine whether impairments, or reversal of previous impairment, are required for non-financial assets, there is an assessment of whether there are any indicators for further impairment or reversal during the year. The assessment includes a review of changes in markets and discount rates over the year, together with a review of business performance against expectations. The 2021 review concluded there were no indicators of further impairment or reversal.

As well as relying on estimates, the Company management also makes judgments to define the appropriate accounting treatment to apply to certain activities and transaction, when the effective IFRS standards and interpretations do not specifically deal with the related accounting issue.

4. Profit & Loss account

During the year, no director received any emoluments (2020 - *£NIL*).

The Company has not traded in the current year. During this period, the Company received no income and incurred no expenditure and therefore made neither profit nor loss.

For the year ended 31 December 2021 and the prior year, auditors' remuneration was borne by a fellow group company.

The company has no employees other than the directors and thus incurred no staff costs during the year (2020 - *£Nil*).

5. Employees

The Company has no employees other than the directors, who did not receive any remuneration (2020 - *£NIL*).

Group Fabricom Limited

**Notes to the financial statements
For the Year Ended 31 December 2021**

6. Fixed asset investments

	Investments in subsidiary companies £000
Cost or valuation	
At 1 January 2021	<u>81,387</u>
At 31 December 2021	<u>81,387</u>
Impairment	
At 1 January 2021	<u>32,592</u>
At 31 December 2021	<u>32,592</u>
Net book value	
At 31 December 2021	<u><u>48,795</u></u>
At 31 December 2020	<u><u>48,795</u></u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Principal activity	Class of shares	Holding
SHUKCO Ltd	Holding Co and Waste disposal and landfill operator	Ordinary & 2% Preference	100%
SUEZ Recycling and Recovery Lancashire Ltd	Collection of non-hazardous waste	Ordinary	100%

SHUKCO Ltd & SUEZ Recycling and Recovery Lancashire Ltd are incorporated in the UK and have the same registered office as the parent company.

Group Fabricom Limited

**Notes to the financial statements
For the Year Ended 31 December 2021**

7. Debtors

	2021	2020
	£000	£000
Amounts owed by group undertakings	7,346	7,346
	7,346	7,346

8. Financial instruments

	2021	2020
	£000	£000
Financial assets		
Financial assets that are debt instruments measured at amortised cost	7,346	7,346

Financial assets measured at amortised cost comprise of amounts owed by group companies and other debtors.

9. Share capital

	2021	2020
	£000	£000
Allotted, called up and fully paid		
100,830,000 (2020 - 100,830,000) ordinary shares of £1.00 each	100,830	100,830

The shares carries no rights to fixed income or has any preferences or restrictions attached on them.

10. Reserves

Share premium account

A non-distributable reserve where the premium paid for new shares above their nominal value is recognised.

Profit & loss account

The profit and loss account is distributable reserves made up of retained earnings

Group Fabricom Limited

Notes to the financial statements For the Year Ended 31 December 2021

11. Post balance sheet events

Veolia takeover

On the 18 January 2022 the global agreement between the SUEZ and Veolia Groups was finalised, with Veolia acquiring ownership of the SUEZ businesses worldwide and in the UK, including Group Fabricom Limited. However, the SUEZ Group within the UK continued to operate independently from Veolia because of a hold separate order put in place by the UK Competitions and Markets Authority (CMA), whilst the CMA conducted a review into the impacts of the transaction on competition within the UK market.

On the 25th August 2022, the CMA concluded that Veolia will be required to sell its interests in SUEZ Recycling and Recovery activities in the UK to remedy the competition concerns found. On 21st September 2022, Veolia announced its intention to sell SUEZ Recycling and Recovery activities in the UK to SUEZ S.A. (new SUEZ), subject to CMA approval. This transaction is expected to complete in late 2022.

12. Controlling party

At the year end the ultimate parent undertaking was SUEZ SA (following Veolia's acquisition now known as Vigie S.A.), a company incorporated in France.

The largest group of which Group Fabricom Limited is a member and for which group financial statements are drawn up is that headed by SUEZ SA, whose consolidated financial statements are available from 21 Rue La Boetie, 75008 Paris, France.

The smallest such group is that headed by SUEZ Recycling and Recovery Holdings UK Limited, a company registered in England & Wales. The consolidated financial statements of the SUEZ Recycling and Recovery Holdings UK Limited Group may be obtained from SUEZ House, Grenfell Road, Maidenhead, Berkshire, SL6 1ES.

In the opinion of the directors, at the balance sheet date, SUEZ Recycling and Recovery Holdings UK Limited controls the Company as a result of controlling 100% of the issued share capital of Group Fabricom Limited. At the year end SUEZ SA was the ultimate controlling party, being the ultimate controlling party of SUEZ Recycling and Recovery Holdings UK Limited.

Ownership of SUEZ Recycling and Recovery Holdings UK Limited has changed since the balance sheet date, see Note 11 for details.