**Company Registration No. 06409675 (England and Wales)**

# BIFFA GROUP LIMITED

## ANNUAL REPORT AND FINANCIAL STATEMENTS

## FOR THE 52 WEEKS ENDED 27 MARCH 2020

# BIFFA GROUP LIMITED

## COMPANY INFORMATION

| | |
|---|---|
| **Directors** | M Topham<br>R Pike<br>Biffa Corporate Services Limited |
| **Secretary** | S Parsons |
| **Company number** | 06409675 |
| **Registered office** | Coronation Road<br>Cressex<br>High Wycombe<br>Buckinghamshire<br>HP12 3TZ |
| **Auditor** | Deloitte LLP<br>2 New Street Square<br>London<br>EC4A 3BZ |

# BIFFA GROUP LIMITED

## CONTENTS

The directors present here a strategic review of the business of Biffa Group Limited (the company). This contains certain forward looking statements with respect to the financial condition, results, operations and business of the company. By their nature, these statements and forecasts involve risk and uncertainty because they relate to events and depend on circumstances that may or may not occur in the future. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by these forward looking statements and forecasts.

**S.172 Statement**
The directors of the company are required under section 172 of the Companies Act 2006 ('s.172') to act in a way that promotes the success of the company for the benefit of its shareholders as a whole, whilst having regard to the following matters (amongst other things): the likely long term consequences; the interests of the company's employees; the business relationships with suppliers and customers; the impact on the community and the environment; reputation for high standards of business conduct; and acting fairly between shareholders.

As the company forms part of the Biffa Group, the governance framework adopted by Biffa plc has been applied by the company as a subsidiary and the matters that the directors of the company are responsible for considering under s.172 have been considered to an appropriate extent by the Biffa plc Board in relation to both the Biffa Group and the company. Further details of how the Biffa plc Board has considered the matters set out in s.172 (for the Group and for the company) are set out in the Biffa plc Annual Report & Accounts, which does not form part of this report. During the year, the directors have also considered, both individually and together, relevant matters where appropriate.

**Employees**
The company either directly or through other Biffa Group companies, has various formal and informal processes to actively engage with its employees. Employee engagement is measured through the Biffa Group annual engagement survey, which provides valuable insight in respect of engagement and culture. Key findings are presented to the Biffa Group Executive team and the Biffa plc Board, improvement areas are identified and action plans developed for the Biffa Group as a whole. Other channels for engagement include the employee app, employee roadshows, all employee calls, newsletters and the intranet. The directors use these processes and channels to understand employees' views and take these into account when making decisions.

**Customers, Suppliers and Other Stakeholders**
The company, either directly or through other Biffa Group companies, engages with customers, suppliers and other stakeholders through multiple channels. During the year, engagement included face to face meetings, social media interaction, surveys, and via the corporate website. The directors received reports and presentations from management on the engagement activities and therefore were provided with a diverse and broad understanding of the issues most relevant to our stakeholders and allowed them to take into account the interest of those stakeholders when performing their duties under s.172.

**Accounting reference date**
These financial statements are for the period ended 27 March 2020. The comparatives are for the period ended 29 March 2019.

**Our Strategy**
Biffa has a clear strategy for growth based on three strategic pillars; grow our market share; develop services and infrastructure; and optimise systems and processes. These are underpinned by a focus on three specific opportunities – growing our collections business; expanding our plastics recycling business Biffa Polymers; and investing in energy from waste (EfW).

The strategy fully supports Biffa's purpose to 'change the way people think about waste' and our vision to 'lead the way in UK sustainable waste management' and is underpinned by our Sustainability Strategy, 'Resourceful, Responsible', which we were delighted to launch in March 2020.

**Review of the business and future developments**
The company continued to operate as a holding and financing company within the Biffa Group. The principal activities of the Biffa Group are the provision of integrated waste management services, comprising collection, treatment, recycling, and disposal of waste and the provision of energy services within the majority of their business in the United Kingdom.

The company reported a profit in the current period of £30.8m, an increase of 4.3%. This is due to the company benefiting from lower interest rates following the refinancing that occurred at the end of the prior year. For a detailed review of the company’s position refer to the Statement of Financial Position on page page 12.

Whilst not immune to the current economic situation, the waste management industry is protected by the ongoing responsibility for business and local councils to ensure the proper disposal of commercial and domestic waste. The company's trading subsidiaries have a large number of customers across a wide variety of industries, including long term contracts for collection of commercial and municipal waste. In addition, these companies' landfill void continues to be a valuable resource necessary for the disposal of waste.

**Future outlook**
The company will continue to operate as a holding and financing company within the Biffa Group.

**UN Sustainable Development Goals**
In March 2020 Biffa Group launched 'Resourceful, Responsible' a 10-year Sustainability Strategy. The strategy is aligned to the UN's Sustainable Development Goals, and is centred around three key pillars:

- Building a circular economy;
- Tackling climate change; and
- Caring for our people and supporting our communities.

It includes a commitment to unlock £1.25bn of investment in green economy infrastructure, whilst reducing our CO2 emission by a further 50% in the coming decade. When combined with what the Biffa Group has achieved in the last 15 years, that will amount to a reduction in our CO2 emissions by over 80%. 'Resourceful, Responsible' is inextricably linked to the Biffa Group's strategic framework and the investment in green economy.

**Going concern**
Since reporting of the Group’s full year results for year ending 27 March 2020, Covid-19 continues to have a significant impact on the Group’s financial and operational performance. However, gradual improvements have been seen across all divisions in the business. The Group’s latest financial performance forecast for the next 12 months is in line with management expectations and sales volumes are expected to be maintained for the rest of 2021 financial year. Current forecasts also expects that the Group will return to near prior year levels at the end of FY22.

The Group meets its daily working capital requirements through its bank facilities. Forecast and projections for the Group, taking into account reasonable fluctuations in trading performance, show that the Group are expected to operate within the current levels of the facility. The Group has significant financial resources including unutilised bank facilities of £200.0m and cash and cash equivalents of £101.2m as at 25 September 2020. One of the Group’s response to the Covid-19 impact was to agree revised covenants with the banking syndicate for the main loan facility which increased the leverage covenant from 3.5x to 5.5x for H1 and 4.6x for H2. The eventual outturn at the HY was 1.3x. The reassuring headroom on the debt leverage was driven by an equity raise which took place in June 2020; £97.7m was successfully raised from the issue of 50 million shares. These funds together with the Group’s long-term customer contract portfolio, flexible cost based coupled with geographically diverse operating footprint means the Group is well placed to manage the direct business impacts and the current global economic uncertainty arising from the Covid-19 pandemic.

Management has also performed a sensitivity analysis which supports this view by modelling a reasonable worst-case scenario. The worst-case scenario assumes that the Group will focus on continuing existing operations and no acquisitions takes place or any further investment on plastics projects. The Group’s profitability, liquidity and financial headroom have all been assessed an incorporated within this scenario analysis.

Based on the results of this analysis and after careful consideration of the uncertainty and dynamic nature of Covid-19, the Directors confirm that they have reasonable expectation that the Group will be able to continue to withstand the impacts of Covid-19. The Directors have concluded the Group has made satisfactory arrangements to address its financing and business risks. And have reasonable expectations that the Group will have adequate resources to continue in operation for at least twelve months from the signing date of these statutory accounts. They therefore consider it appropriate to adopt the going concern basis of accounting in preparing these statutory accounts.

**Principal risks**
The directors are aware of the need to review all aspects of risk which are likely to affect the financial stability of the company, whether it be from either the sales or the cost side of the business. On an annual basis the directors carry out a detailed internal risk assessment analysis on all aspects of the business.

**Credit risk**
The company's principal financial assets are cash and intercompany receivables. The directors assess the intercompany receivable balances for recoverability based on an assessment of the individual counterparties and considers that the carrying value of the assets represents their recoverable amount. The company mitigates cash risk by using accredited institutions.

**Liquidity risk**
In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the company primarily uses funding from other group companies

**Brexit risk**
As the service we provide is predominantly delivered locally to UK-based customers, the impact of Brexit on our business is not as significant as it is to other businesses. Key risks for the Group include foreign exchange movements, imposition of tariffs and potential constraint of labour supplies. As a Board we will continue to closely monitor developments in the UK Government's Brexit plans and any potential impacts on the company and so like most businesses we are keen to have certainty over how Brexit will be implemented.

**COVID-19 risk**
The Covid-19 pandemic is unprecedented. During the pandemic, there has been substantial support from the UK Government, the measures most relevant to the Group are tax payment deferrals.

At the FY21 year end, the Group expects to have combined available cash and RCF headroom of over £200m. In addition, the Group is taking steps to balance both the preservation of near-term cash with the need to preserve the long-term health of the business, its customers, suppliers, employees and other stakeholders. The Group have also set up a Response Team with colleagues from across the business to ensure we support the health and wellbeing of our colleagues, manage business continuity, provide clear and timely communications and minimise service disruption. All of our staff who are able to have been advised to work from home and social distancing applied across our workplaces. All non-essential business travel has been stopped. The Board is confident that the combination of available liquidity, coupled with the identified mitigation will enable the Group to shoulder this downturn in the near term and that going forward the Group will then be able to progress its growth strategy over the medium term.

**Employee engagement**
The company regularly reviews its employment practices to ensure it promotes dignity at work, equal opportunity and good working relations based on fairness, equality and inclusiveness. The safety of employees is the top priority.

The company puts employee engagement at the heart of its people strategy and plans and the group remains committed to further increasing employee engagement. Since 2011, the percentage of engaged employees at Biffa has doubled and in the past year our overall level of engagement has remained stable at 58%, following a 5% point increase last year. Although levels have remained stable this year, we are still ahead of our strategic target and ahead of the UK average. We engage with our employees throughout the year through multiple communication channels including: face-to-face roadshows, conference calls, recorded vlogs and our employee app, Biffa Beat. In addition, we recognise our employees and teams who have gone the ‘extra mile’ through our annual Diamond Award ceremony.

The company is committed to the continual development of the skills and knowledge and behaviours of its people, providing statutory and safety related training, quality role specific personal development programmes, ‘core skills’ and management capability building programmes. Opportunities for continual professional development are offered through a variety of approaches, including classroom based training, e-learning and on the job coaching and assignment to projects.

**Employee engagement (continued)**

The company is committed to the continual development of the skills and knowledge and behaviours of its people, providing statutory and safety related training, quality role specific personal development programmes, 'core skills' and management capability building programmes. Opportunities for continual professional development are offered through a variety of approaches, including classroom based training, e-learning and on the job coaching and assignment to projects.

The company promotes meritocracy, endeavouring to fill internal vacancies by internal appointments wherever possible. It builds constructive relationships with recognised trade unions and safeguards equality of opportunity and respect for colleagues in the workplace through its policies and practices.

It is the policy of the company to give full consideration to applications for employment made by disabled persons, having regard to their particular aptitudes and abilities and to provide for the training, career development and promotion of disabled persons employed by the company and the Biffa Group. The company and the Biffa Group will endeavour to retain employees who become disabled during their employment and will provide for retraining where possible to allow such employees to fulfil their potential.

Approved by the Board of Directors and signed on behalf of the Board

..............................

R Pike

**Director**

23 February 2021

## DIRECTORS' REPORT

### *FOR THE PERIOD ENDED 27 MARCH 2020*

The directors present their annual report and financial statements for the period ended 27 March 2020.

**Principal activities**
Biffa Group Limited is a holding company of the Biffa Group whose principal activities are to operate waste collection, landfill and special waste services in the United Kingdom.

**Accounting reference date**
These financial statements are for the 52 weeks ended 27 March 2020 (2019: 52 weeks ended 29 March 2019).

**Results, future developments and dividends**
The results for the period are set out on page 11.

No ordinary dividends were paid (2019: £nil). The directors do not recommend payment of a final dividend.

Future outlook is discussed on page pages 1 to 4 of the Strategic Report.

**Directors**
The directors who held office during the period and up to the date of signature of the financial statements were as follows:

M Topham
R Pike
Biffa Corporate Services Limited

**Principal risks and uncertainties**
Information on financial exposure and risk management is disclosed within the Strategic Report on pages 2 and 3.

**Qualifying third party indemnity provisions**
The company’s articles of association provide for the directors and officers of the company to be appropriately indemnified, subject to the provisions of the Companies Act 2006. The group holds directors' and officers' liability insurance cover for any claim brought against directors or officers for wrongful acts in connection with their positions, but the cover does not extend to claims arising from dishonesty or fraud.

**Post reporting date events**
The following subsidiaries were struck off on 29 September 2020;

- A Smith & Sons (Waste Disposal) Limited
- SWR Equipment Limited
- SWR Plastics Limited
- SWR Waste Management Limited
- Smash & Grab Glass Recycling Limited
- Wastecutter Limited
- National Waste Collection Limited
- SWR Just Bins Limited

The voluntary strike-off process is ongoing for the below entities;

- Biffa Servicios de Energía México, S.A. de C.V.
- Empresa de Servicios Especializados en Generación de Energía, S.A. de C.V.

All entities were non-trading subsidiaries of Biffa Group Limited.

**Auditor**
Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and Deloitte LLP, Statutory Auditor, will therefore continue in office.

**Statement of disclosure to auditor**
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the requirements of section 418 of the Companies Act 2006.

**FRS 101 reduced disclosure framework**
The Financial Statements have been prepared and approved by the directors in accordance with Financial Reporting Standard (FRS) 101 Reduced Disclosure Framework issued by the Financial Reporting Council.

Approved and signed on behalf of the Board

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R Pike
**Director**

Date: 23 February 2021

## DIRECTORS' RESPONSIBILITIES STATEMENT

### *FOR THE PERIOD ENDED 27 MARCH 2020*

The directors are responsible for preparing the annual 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.

# INDEPENDENT AUDITOR'S REPORT

# TO THE MEMBERS OF BIFFA GROUP LIMITED

**Report on the audit of the Financial Statements**

**Opinion**

In our opinion the financial statements of Biffa Group Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 27 March 2020 and of its profit for the 52 weeks then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the income statement;
- the statement of financial position;
- the statement of changes in equity; and
- the related notes 1 to 18.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (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 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 Financial Reporting Council's (the FRC's) Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

We are required by ISAs (UK) to report in respect of the following matters where:

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

We have nothing to report in respect of these matters.

**Other information**

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

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

We have nothing to report in respect of these matters.

**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.

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

**Report on other legal and regulatory requirements**

**Opinions on other matters prescribed by the Companies Act 2006**
In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial period 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 and the directors' report.

**Matters on which we are required to report by exception**
Under 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.

We have nothing to report in respect of the following matters.

**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.

**Makhan Chahal ACA (Senior Statutory Auditor)**
**for and on behalf of Deloitte LLP**

.........................

23 February 2021

2 New Street Square
London
EC4A 3BZ

# BIFFA GROUP LIMITED

## INCOME STATEMENT

### *FOR THE PERIOD ENDED 27 MARCH 2020*

| | | Period ended 27 March 2020 | | Total |
|---|---|---|---|---|
| | Notes | Underlying activities £m | Exceptional items (note 3) £m | 27 March 2020 £m |
| Administrative expenses | | (0.4) | - | (0.4) |
| Interest receivable and similar income | 4 | 40.3 | - | 40.3 |
| Interest payable and similar charges | 5 | (9.1) | - | (9.1) |
| **Profit before taxation** | 6 | 30.8 | - | 30.8 |
| Tax on profit | 7 | 0.1 | - | 0.1 |
| **Profit and total comprehensive income for the financial period** | | 30.9 | - | 30.9 |

| | | Period ended 29 March 2019 | | Total |
|---|---|---|---|---|
| | Notes | Underlying activities £m | Exceptional item (note 3) £m | 29 March 2019 £m |
| Interest receivable and similar income | 4 | 40.8 | - | 40.8 |
| Interest payable and similar charges | 5 | (10.5) | (3.8) | (14.3) |
| **Profit/(loss) before taxation** | 6 | 30.3 | (3.8) | 26.5 |
| Tax on profit | 7 | (1.0) | - | (1.0) |
| **Profit/(loss) and total comprehensive income for the financial period** | | 29.3 | (3.8) | 25.5 |

The Company has no income and expenses other than the profit above and therefore no separate Statement of Other Comprehensive Income has been presented.

The accompanying notes to the financial statements are an integral part of the Company’s financial statements.

The income statement has been prepared on the basis that all operations are continuing operations.

# BIFFA GROUP LIMITED

## STATEMENT OF FINANCIAL POSITION

### *AS AT 27 MARCH 2020*

| | Notes | 2020 £m | 2020 £m | 2019 £m | 2019 £m |
|---|---|---|---|---|---|
| **Non-current assets** | | | | | |
| Investments | **8** | | 450.0 | | 450.0 |
| Deferred tax asset | **14** | | 9.4 | | 9.2 |
| Trade and other receivables falling due after more than one year | **11** | | 39.8 | | - |
| | | | 499.2 | | 459.2 |
| **Current assets** | | | | | |
| Trade and other receivables | **11** | 3.0 | | - | |
| Cash and cash equivalents | | 0.6 | | 0.7 | |
| | | 3.6 | | 0.7 | |
| **Current liabilities** | **12** | (115.6) | | (107.5) | |
| **Net current liabilities** | | | (112.0) | | (106.8) |
| **Total assets less current liabilities** | | | 387.2 | | 352.4 |
| **Non-current liabilities** | **12** | | (249.0) | | (248.0) |
| **Net assets** | | | 138.2 | | 104.4 |
| **Equity** | | | | | |
| Called up share capital | **15** | | 7.6 | | 7.6 |
| Share premium account | **16** | | 362.5 | | 362.5 |
| Retained earnings | | | (231.9) | | (262.8) |
| **Total equity** | | | 138.2 | | 107.3 |

The Financial Statements were approved by the Board of Directors and authorised for issue on 23 February 2021 and are signed on its behalf by:

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R Pike
**Director**

**Company Registration No. 06409675**

# BIFFA GROUP LIMITED

## STATEMENT OF CHANGES IN EQUITY

***FOR THE PERIOD ENDED 27 MARCH 2020***

| | Share capital £m (note 15) | Share premium account £m (note 16) | Retained earnings £m | Total £m |
|---|---|---|---|---|
| **Balance at 30 March 2018** | 7.6 | 362.5 | 489.3 | 859.4 |
| **Period ended 29 March 2019:** | | | | |
| Profit and total comprehensive income for the period | - | - | 25.5 | 25.5 |
| Adjustment in respect of IFRS9 adoption | - | - | (777.6) | (777.6) |
| **Balance at 29 March 2019** | 7.6 | 362.5 | (262.8) | 107.3 |
| **Period ended 27 March 2020:** | | | | |
| Profit and total comprehensive income for the period | - | - | 30.9 | 30.9 |
| **Balance at 27 March 2020** | 7.6 | 362.5 | (231.9) | 138.2 |

## 1 Accounting policies

**Company information**

Biffa Group Limited is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The registered office is Coronation Road, Cressex, High Wycombe, Buckinghamshire, HP12 3TZ. .

### 1.1 Accounting convention

The financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £m.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

As permitted by FRS 101, the company has taken advantage of the following disclosure exemptions from the requirements of IFRS:

- IFRS 7 'Financial Instruments: Disclosures';
- IAS 1 'Presentation of Financial Statements paragraph 10(d), 10(f), 16, 38, 39(c), 111 and 134-136;
- IAS 7 'Statement of Cash Flows';
- IAS 8 'Accounting Policies, Change in Accounting Estimates and Errors' paragraph 30 and 31;
- IAS 24 'Related Party Disclosures' paragraph 17 and the requirement to disclose related party transactions entered into between two or more members of the Biffa group;
- IAS 36 'Impairment of Assets' paragraph 134(d) -134(f) and 135(c) -135(e).

Where required, equivalent disclosures are given in the group accounts of Biffa Plc. The group accounts of Biffa Plc are available to the public and can be obtained as set out in note 18.

The company is exempt from the preparation of consolidated Financial Statements under IAS 27, because it is included in the group Financial Statements of Biffa Plc.

### 1.2 Adoption of new and revised Standards

The following standards became applicable for the current reporting period:

- IFRS 16 in respect of Leases which became effective for accounting periods beginning on or after 1 January 2019. The revised standard removes the current distinction between an operating and finance lease, introducing consistent requirements for all leases similar to the current approach for accounting for finance leases. The lease value for leased premises as well as other smaller trade related operating leases will be brought onto the Statement of Financial Position at the fair value of the future minimum lease payments.

- IFRIC 23 introduces new guidance to clarify how to account for income tax when it is unclear whether the taxing authority will accept the entity's treatment.

- Prepayment Features with Negative Compensation (Amendment to IFRS 9, Financial Instruments) became effective for accounting periods beginning on or after 1 January 2019. The amendment prescribes that the financial assets containing prepayment features with negative compensation may be measured at amortised cost or at fair value through other comprehensive income (OCI) if they meet the other relevant requirements of IFRS 9.

**1 Accounting policies** **(Continued)**

**Adoption of new and revised Standards (continued)**

- Long-term Interest in Associates and Joint Ventures (Amendments to IAS 28, Investments in Associates and Joint Ventures) became effective for accounting periods beginning on or after 1 January 2019. The amendments to IAS 28 deals with the accounting for long - term interests in an associate or joint venture that in-substance forms part of the net investment. It clarifies the interaction between IFRS 9, especially the expected loss impairment model, and IAS 28. IFRS 9 excludes from its scope only those interests to which the equity method is applied.

- Plan Amendment, Curtailment or Settlement (Amendment to IAS 19, Employee Benefits) became effective for accounting periods beginning on or after 1 January 2019. The amendment to IAS 19 clarifies that on amendment, curtailment or settlement of a defined benefit plan, the current service cost and net interest for the remainder of the annual reporting period are calculated using updated actuarial assumptions, i.e. consistent with the calculation of a gain or loss on the plan amendment, curtailment or settlement. The amendment clarifies that an entity first determines any past services cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognised in profit and loss. The entity then determines the effect of the asset ceiling after plan amendment, curtailment or settlement. Any changes in that effect are recognised in OCI and are not reclassified into profit an loss. The amendment to IAS 19 is applied prospectively to plan amendments, settlements and curtailments that occur after the effective date of 1 January 2019.

The adoption of the above new and revised standards had no impact on the financial statements of the company for the period ended 27 March 2020.

The following standards and amendments to existing standards became effective from 1 January 2020 and will be adopted in the company's next financial statements:

- Amendments to IFRS 3, Business Combinations, The amendment clarifies the definition of a business by providing a new framework for determining whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses.
- Amendments to IAS 1, Presentation of Financial Statements, and IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors. The amendments clarify the definition of 'materiality' and how it should be applied. The amendments also improve the explanations of the definition and ensure consistency across all IFRS standards.
- Amendments to IFRS 9, Financial Instruments, IAS 39, Financial Instruments: Recognition and Measurement, and IFRS 7, Financial Instruments: Disclosures. The amendments provide relief from specific hedge accounting requirements to address the potential uncertainty caused by the IBOR reform.

**1.3 Going concern**

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on pages 1 to 3. The company is managed as part of the Biffa Group. The Biffa Group has committed facilities which the directors consider sufficient to service its ongoing working capital and capital investment requirements.

On the 23 March 2020 the UK went in to a state of lockdown following the outbreak of Covid-19 and global pandemic. The UK Government has recognised the Company’s operations as a ‘Key Service’ and therefore trading is continuing. As discussed in the principal risks in the Strategic Report in further detail, the board assessed the profitability, liquidity, financial headroom and support from the wider Group; they believe the Company will be able to continue in operations and meet liabilities as they fall due. Therefore, the board consider the going concern basis of preparation to remain appropriate.

**1 Accounting policies** **(Continued)**

**1.4 Finance income and expense**

Finance income and expense comprise interest income on funds invested and gains that are recognised in the profit and loss and interest expense on borrowings calculated using the effective interest rate method. Interest income is recognised in profit and loss as it accrues, taking into account the effective yield on the asset.

**1.5 Borrowing Costs**

Borrowings are recognised initially at fair value, net of transaction costs incurred. Any difference between the amount initially recognised (net of transaction costs) and the redemption value is recognised in the Income Statement over the period of the borrowings using the effective interest method.

**1.6 Exceptional items**

Exceptional items are those that in the directors' view are required to be separately disclosed by virtue of their size or incidence to enable a full understanding of the company's performance.

**1.7 Non-current investments**

Investments held as fixed assets are stated at cost less any provision for impairment. The company's investments in subsidiary undertakings are reviewed at each Statement of Financial Position date on a subsidiary by subsidiary basis to determine whether there is any indication of impairment. An impairment loss is recognised in profit and loss when the carrying amount exceeds its recoverable amount. The recoverable amount of an investment is the greater of its net realisable value and value in use as determined from cash flow projections of the subsidiary undertaking.

**1.8 Amounts due from related parties and other debtors**

Amounts due from related parties and other debtors are stated at their cost less impairment losses.

**1.9 Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

**1.10 Other creditors**

Other creditors are stated at their expected settlement amount.

**1.11 Financial assets**

Financial assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument. Financial assets are classified into specified categories, depending on the nature and purpose of the financial assets.

At initial recognition, financial assets classified as fair value through profit and loss are measured at fair value and any transaction costs are recognised in profit or loss. Financial assets not classified as fair value through profit and loss are initially measured at fair value plus transaction costs.

**1 Accounting policies** **(Continued)**

***Financial assets at fair value through profit or loss***

Financial assets are classified as at FVTPL when the financial asset is held for trading. This is the case if:

- the asset has been acquired principally for the purpose of selling in the near term, or
- on initial recognition it is part of a portfolio of identified financial instruments that the company manages together and has a recent actual pattern of short-term profit taking, or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial assets at FVTPL are stated at fair value with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset. Interest and dividends are included in 'Investment income' and gains and losses on remeasurement included in 'other gains and losses' in the statement of comprehensive income.

***Financial assets held at amortised cost***

Financial assets with fixed or determinable payments and fixed maturity dates that the Company has the positive intent and ability to hold to maturity are classified as held to maturity investments.

Held to maturity investments are measured at amortised cost using the effective interest method less any impairment, with revenue recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Trade Receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

***Financial assets at fair value through other comprehensive income***

Debt instruments are classified as financial assets measured at fair value through other comprehensive income where the financial assets are held within the company’s business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument measured at fair value through other comprehensive income is recognised initially at fair value plus transaction costs directly attributable to the asset. After initial recognition, each asset is measured at fair value, with changes in fair value included in other comprehensive income. Accumulated gains or losses recognised through other comprehensive income are directly transferred to profit or loss when the debt instrument is derecognised.

**1 Accounting policies** **(Continued)**

Financial assets classified as available for sale are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income. Where an AFS financial asset is disposed of or determined to be impaired, the cumulative gain or loss previously recognised in other comprehensive income is reclassified to profit or loss.

Dividends and interest earned on AFS financial assets are included in the investment income line item in the statement of comprehensive income.

***Impairment of financial assets***

For the purpose of impairment assessment for these financial assets, the loss allowance is measured at an amount equal to 12-month ECL. 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

**1.12 Financial liabilities**

The company recognises financial debt when the company becomes a party to the contractual provisions of the instruments. Financial liabilities are classified as either 'financial liabilities at fair value through profit or loss' or 'other financial liabilities'.

***Financial liabilities at fair value through profit or loss***

Financial liabilities are classified as measured at fair value through profit or loss when the financial liability is held for trading. A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of selling or repurchasing it in the near term, or
- on initial recognition it is part of a portfolio of identified financial instruments that the company manages together and has a recent actual pattern of short-term profit taking, or
- it is a derivative that is not a financial guarantee contract or a designated and effective hedging instrument.

Financial liabilities at fair value through profit or loss are stated at fair value with any gains or losses arising on remeasurement recognised in profit or loss.

***Other financial liabilities***

Other financial liabilities, including borrowings, trade payables and other short-term monetary liabilities, are initially measured at fair value net of transaction costs directly attributable to the issuance of the financial liability. They are subsequently measured at amortised cost using the effective interest method. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

***Derecognition of financial liabilities***

Financial liabilities are derecognised when, and only when, the company’s obligations are discharged, cancelled, or they expire.

**1.13 Equity instruments**

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

**1 Accounting policies (Continued)**

**1.14 Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax. Income tax is recognised in profit and loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

***Current tax***

The tax currently payable is based on taxable profits for the year. Taxable profit differ from 'profit before tax' as reported in the Income Statement because of items of income or expenses that are taxable or deductible in other years and items that are never taxable or deductible. The companies' current tax is calculated using rates that have been enacted or substantively enacted by the end of the reporting period.

Current tax is the expected tax payable or receivable on the taxable income or allowable losses for the period, using tax rates enacted or substantively enacted at the Statement of Financial Position date, and any adjustment to tax payable or receivable in respect of previous periods.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

***Deferred tax***

Deferred tax is provided using the Statement of Financial Position liability method, providing for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for:

- goodwill not deductible for tax purposes;
- those arising on the initial recognition of assets or liabilities that affect neither accounting nor taxable profit; and
- difference relating to retained earnings in subsidiaries, to the extent that they will probably not reverse in the foreseeable future.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the Statement of Financial Position date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

**2 Critical accounting judgements and key sources of estimation uncertainty**

The preparation of Financial Statements in conformity with FRS 101 Reduced Disclosure Framework requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

**2 Critical accounting judgements and key sources of estimation uncertainty (Continued)**

### 3 Exceptional items

| | 2020 £m | 2019 £m |
|---|---|---|
| Refinancing costs | - | (3.8) |

In the period ended 29 March 2019, the Group settled its £200.0m term facility and entered into a £350.0m RCF. The costs of £3.0m attributed to obtaining the facility were capitalised and are being amortised over the life of the facility. The unamortised costs of £3.8m in relation to the historic £200.0m term facility were, therefore, written off in 2019 as a financial charge in other finance costs (note 5).

### 4 Interest receivable and similar income

| | 2020 £m | 2019 £m |
|---|---|---|
| **Interest income** | | |
| Interest receivable on loans to related parties | 40.3 | 40.8 |

### 5 Interest payable and similar charges

| | 2020 £m | 2019 £m |
|---|---|---|
| **Interest on financial liabilities measured at amortised cost:** | | |
| Interest payable on loans from related parties | 9.1 | 10.5 |
| **Other finance costs:** | | |
| Exceptional expenses relating to refinancing | - | 3.8 |
| Total finance costs | 9.1 | 14.3 |

### 6 Profit before taxation

The company had no employees during both periods. Directors' emoluments during the current period and prior period were borne by Biffa Plc and no amounts were allocated to the company. These can be referenced from the consolidated Financial Statements of Biffa Plc.

Statutory audit fees of £3,000 (2019: £3,000) were borne by Biffa Waste Services Limited. There were no non-audit fees (2019: £nil).

## 7 Taxation

| | 2020 £m | 2019 £m |
|---|---|---|
| **Current tax** | | |
| UK corporation tax on profits for the current period | - | - |
| **Total UK current tax** | - | - |
| **Deferred tax** | | |
| Origination and reversal of temporary differences | 1.0 | 1.0 |
| Changes in tax rates | (1.1) | - |
| **Total deferred tax** | (0.1) | 1.0 |
| **Total tax (credit)/charge** | (0.1) | 1.0 |

The charge for the period can be reconciled to the profit per the income statement as follows:

| | 2020 £m | 2019 £m |
|---|---|---|
| Profit before taxation | 30.8 | 26.5 |
| Expected tax charge based on a corporation tax rate of 19.00% (2019: 19.00%) | 6.0 | 5.0 |
| Effect of expenses not deductible in determining taxable profit | 0.1 | - |
| Effect of change in tax rate | (1.1) | - |
| Group relief surrendered for no payment | (5.1) | (4.0) |
| **Taxation (credit)/charge for the period** | (0.1) | 1.0 |

Budget 2020, substantively enacted on 17 March 2020, announced that the main UK corporation tax rate applicable from 1 April 2020 now remains at 19%, rather than the previously enacted reduction to 17%. As deferred tax assets and liabilities are measured at the rates expected to apply in the period of the reversal, the deferred tax balances have been calculated at 19%.

**8 Fixed asset investments**

**Movements in non-current investments**

| | Investments in subsidiary undertakings £m |
|---|---|
| **Cost or valuation** | |
| At 30 March 2019 & 27 March 2020 | 1,395.6 |
| **Impairment** | |
| At 30 March 2019 & 27 March 2020 | (945.6) |
| **Carrying amount** | |
| At 27 March 2020 | 450.0 |
| At 29 March 2019 | 450.0 |

## 9 Principal subsidiary undertakings

All subsidiary undertakings have a financial period coterminous with Biffa Group Limited unless otherwise noted.
The companies disclosed below are deemed to be the principal subsidiaries of Biffa Group Limited and have a registered address of Coronation Road, Cressex Business Park, High Wycombe, Buckinghamshire, HP12 3TZ except where noted.
The list of non-principal subsidiaries is detailed in note 10.

| Name of undertaking | Registered office | Principal activity |
|---|---|---|
| Biffa Municipal Limited | England and Wales | Waste Management |
| UK Waste Management Limited | England and Wales | Waste Management |
| Biffa Waste Management Limited | England and Wales | Waste Management |
| Biffa West Sussex Limited | England and Wales | Waste Management |
| Bray Insurance Company Limited * | Gibraltar | Insurance Services |
| Barge Waste Management Limited | England and Wales | Waste Management |
| Island Waste Services Limited | England and Wales | Waste Management |
| Poplars Resource Management Company Limited | England and Wales | Waste Management |
| Biffa Waste Services Limited | England and Wales | Waste Management |
| Biffa Leicester Limited | England and Wales | Waste Management |
| Biffa Environmental Municipal Services Limited | England and Wales | Waste Management |
| Specialist Waste Recycling Limited** | Scotland | Waste Management |

**9 Principal subsidiary undertakings** **(Continued)**

* Registered at Fiduciary Management Limited, Suite 23 Portland House, Glacis Road, Gibraltar, GXII 1AA.

**Registered at Annan Suite, 10 York Place, Edinburgh, Scotland, EH1 3EP.

The company holds a direct 100% investment in the above listed subsidiaries.

The company is not required to prepare consolidated Financial Statements in accordance with S408 of the Companies Act 2006, because its results are included in the consolidated Financial Statements of Biffa Plc.

For non-trading subsidiary undertakings at 27 March 2020 the company has determined their recoverable amount to be their aggregate net assets/(liabilities) as presented in the subsidiary's own Financial Statements at 27 March 2020. Cash flow projections are not prepared for non-trading subsidiary undertakings and their value in use is therefore deemed to be equal to their net realisable value.

An impairment review in accordance with the approach and assumptions outlined above has been carried out for each subsidiary undertaking. The value of the company's investment in its subsidiaries was not deemed to be impaired (2019: £nil).

**10 Non-principal subsidiary undertakings**

| Name of undertaking | Registered office | Principal activity |
|---|---|---|
| Biffa Group Holdings (UK) Limited *† | England and Wales | Holding company |
| Biffa Corporate Services Limited * | England and Wales | Dormant |
| Biffa Corporate Holdings Limited * | England and Wales | Holding company |
| Biffa Servicios de Energia Mexico SA de CV ** | Mexico | Waste management |
| Empresa de Servicios Especializados en Generación de Energía, S.A. de C.V. ** | Mexico | Waste management |
| Biffa Waste Limited * | England and Wales | Waste management |
| Biffa UK Group Limited * | England and Wales | Dormant |
| Biffa UK Limited * | England and Wales | Dormant |
| Biffa (UK) Holdings Limited * | England and Wales | Waste management |
| UK Waste Management Holdings Limited * | England and Wales | Waste management |
| A Smith & Sons (Waste Disposal) Limited *^ | England and Wales | Dormant |
| Pilmuir Waste Disposal Limited * | England and Wales | Dormant |
| Biffa (Roxby) Limited * | England and Wales | Dormant |
| Norwaste Limited * | England and Wales | Dormant |
| Biffa West Sussex Holdco Limited * | England and Wales | Dormant |
| Reclamation & Disposal Limited * | England and Wales | Dormant |
| Biffa Holdings Limited * | England and Wales | Holding company |
| Richard Biffa (Reclamation) Limited * | England and Wales | Dormant |
| M Joseph & Son (Birmingham) Limited * | England and Wales | Dormant |
| Biffa Pension Scheme Trustees Limited * | England and Wales | Dormant |
| Cressex Insurance Services Limited * | England and Wales | Dormant |
| White Cross Limited * | England and Wales | Dormant |
| Wastedrive Limited * | England and Wales | Dormant |
| Wastedrive (Manchester) Limited * | England and Wales | Waste management |
| GS Equity Co *† | Cayman Islands | Holding company |
| Biffa (Land) Limited | Guernsey | Waste management |
| Loristan Services Limited * | England and Wales | Waste management |

**10 Non-principal subsidiary undertakings** **(Continued)**

| | | |
|---|---|---|
| Biffa Netherlands B.V. | Netherlands | Waste management |
| Biffa Holdings (Jersey) Limited | Jersey | Waste management |
| Biffa (Jersey) Limited | Jersey | Waste management |
| Bray 2008 (Malta) Limited | Malta | Waste management |
| Protos Investco Limited * | England and Wales | Waste management |
| Newhurst ERF Holding Limited ** (i) | England and Wales | Waste management |
| GS Acquisitions Limited * | England and Wales | Holding company |
| Biffa GS Holdings Limited * | England and Wales | Holding company |
| Material Recovery Nominees Limited * | England and Wales | Dormant |
| Biffa GS UK Holdings Limited * | England and Wales | Holding company |
| Biffa GS (LPP) Limited * | England and Wales | Waste management |
| Biffa GS Environmental Limited * | England and Wales | Waste management |
| Biffa GS (RUR) Limted * | England and Wales | Dormant |
| Biffa GS Environmental Recycling Limited * | England and Wales | Waste management |
| Biffa GS (M&B) Limited * | England and Wales | Waste management |
| Biffa GS (FC) Limited * | England and Wales | Waste management |
| Amber Engineering Limited * | England and Wales | Waste management |
| O'Brien Waste Recycling Solutions Holdings Limited * | England and Wales | Holding company |
| O'Brien Waste Recycling Solutions Limited * | England and Wales | Waste management |
| SWR Plastics Limited ** ^ | England and Wales | Dormant |
| SWR Waste Management Limited ** ^ | England and Wales | Dormant |
| Smash and Grab Glass Recycling Limited ** ^ | England and Wales | Dormant |
| Wastecutter Limited ** ^ | England and Wales | Dormant |
| New Star Environmental Limited * | England and Wales | Waste management |
| SWR Equipment Limited ** ^ | England and Wales | Dormant |
| SWR Smash & Grab Limited * | England and Wales | Waste management |
| RUR3 Environmental Limited * | England and Wales | Waste management |
| National Waste Collection Limited ** ^ | England and Wales | Dormant |
| SWR Just Bins Limited ** ^ | England and Wales | Dormant |
| SWR Newstar Limited ** | England and Wales | Dormant |

**10 Non-principal subsidiary undertakings** **(Continued)**

| | | |
|---|---|---|
| Newhurst ERF Limited** | England and Wales | Waste management |
| Biffa (WES) Limited | England and Wales | Waste management |
| Weir Waste Services Limited | England and Wales | Waste management |
| Weir Recycling Services Limited | England and Wales | Waste management |

† directly held by Biffa Group Limited
* financial year ended 27 March 2020
** financial year ended 31 December 2019
^ struck off after the period to 27 March 2020
(i) 50% shares directly held by Biffa Corporate Holdings Limited
All subsidiaries are 100% owned unless otherwise stated.

The registered office for all subsidiary entities incorporated in England and Wales is Coronation Road, Cressex Business Park, High Wycombe, Buckinghamshire, HP12 3TZ.
Biffa Netherlands B.V registered address is Strawinskylaan 3127, 8e verdieping, 1077ZX Amsterdam.
Biffa Holdings (Jersey) Limited and Biffa (Jersey) Limited registered office is 44 Esplanade, St Helier, Jersey, JE4 9WG.
Biffa (Land) Limited registered office is PO Box 119, Martello Court, Admiral Park, St Peter Port, Guernsey, GY1 3H.
Bray 2008 (Malta) Limited registered address is Development House, St Anne Street, Floriana, Malta.
GS Equity Co registered address is c/o Walkers Corporate Services Limited, Walker House, 87 Mary Street, George Town, Grand Cayman, KY19005.

## 11 Trade and other receivables

| | Current | | Non-current | |
|---|---|---|---|---|
| | **2020** | **2019** | **2020** | **2019** |
| | **£m** | **£m** | **£m** | **£m** |
| Amount owed by parent undertaking | 2.9 | 2.9 | - | - |
| Amounts owed by subsidiary undertakings | 0.1 | - | 39.8 | - |
| | 3.0 | 2.9 | 39.8 | - |
| Deferred tax asset (note 14) | - | - | 9.4 | 9.2 |
| | 3.0 | 2.9 | 49.2 | 9.2 |

Amounts due from subsidiary undertakings are unsecured, interest bearing and repayable on demand.

## 12 Liabilities

| | | Current | | Non-current | |
|---|---|---|---|---|---|
| | | **2020** | **2019** | **2020** | **2019** |
| | **Notes** | **£m** | **£m** | **£m** | **£m** |
| Borrowings | | - | - | 249.0 | 248.0 |
| Trade and other payables | **13** | 115.6 | 107.5 | - | - |
| | | 115.6 | 107.5 | 249.0 | 248.0 |

At 27 March 2020 the Group has an undrawn revolving credit facility (RCF) of £198.0m (2019: £99m). The Maturity date of the facility is 26 March 2024.

## 13 Trade and other payables

| | **2020** | **2019** |
|---|---|---|
| | **£m** | **£m** |
| Amount owed to parent undertaking | 20.9 | 20.9 |
| Amounts owed to subsidiary undertakings | 93.3 | 85.7 |
| Other payables | 1.4 | 0.9 |
| | 115.6 | 107.5 |

Amounts due to parent and subsidiary undertakings are unsecured, interest bearing and repayable on demand.

### 14 Deferred taxation

| | 2020<br>£m | 2019<br>£m |
|---|---|---|
| Other timing differences | (9.4) | (9.2) |
| | (9.4) | (9.2) |

Other timing differnces are in relation to brought forward tax losses.

**14 Deferred taxation** **(Continued)**

The movement in temporary differences during the period was as follow:

| | Other timing differences £m |
|---|---|
| At 30 March 2019 | (9.2) |
| **Deferred tax movements in current year** | |
| Credit to profit or loss | 1.0 |
| At 27 March 2020 | (8.2) |

**15 Share capital**

| | 2020 £m | 2019 £m |
|---|---|---|
| **Ordinary share capital** | | |
| ***Issued and fully paid*** | | |
| 759,796,672 Ordinary shares of 1p each | 7.6 | 7.6 |

The company has one class of ordinary share which carry no right to fixed income.

**16 Share premium account**

| | 2020 £m | 2019 £m |
|---|---|---|
| At the beginning and end of the period | 362.5 | 362.5 |

## 17 Events after the reporting date

The following subsidiaries were struck off on 29 September 2020;

- A Smith & Sons (Waste Disposal) Limited
- SWR Equipment Limited
- SWR Plastics Limited
- SWR Waste Management Limited
- Smash & Grab Glass Recycling Limited
- Wastecutter Limited
- National Waste Collection Limited
- SWR Just Bins Limited

The voluntary strike-off process is ongong for the below entities;

- Biffa Servicios de Energía México, S.A. de C.V.
- Empresa de Servicios Especializados en Generación de Energía, S.A. de C.V.

All entities were non-trading subsidiaries of Biffa Group Limited.

The Covid-19 pandemic was an ongoing event post-date as as such, has had no impact on the company. Additionally, Brexit is also an ongoing issue in the UK. Further information on these two matters is given in the Strategic Report.

## 18 Controlling party

The immediate parent undertaking is Biffa Group Holdings Limited, a company incorporated in Jersey, registered office 44 Esplanade, St Helier, JE4 9WG.

The only group in which the company's results are consolidated is that headed by Biffa Plc, a public limited company registered in England and Wales, which owns the entire shareholding of the company via its holdings in subsidiary undertakings and is considered to be the ultimate parent company. Copies of the consolidated Financial Statements of Biffa Plc can be obtained from the registered office at Coronation Road, Cressex Business Park, High Wycombe, Buckinghamshire, HP12 3TZ.