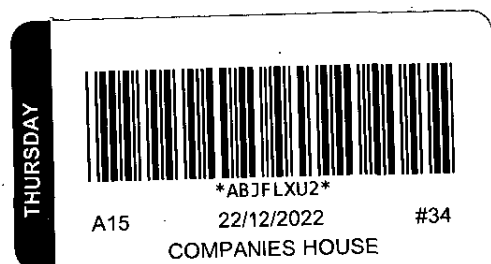

BIFFA CORPORATE HOLDINGS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 25 MARCH 2022



BIFFA CORPORATE HOLDINGS LIMITED

COMPANY INFORMATION

Directors	R Pike M Topham <i>Biffa Corporate Services Limited</i>
Company secretary	S Parsons
Registered number	05656364
Registered office	Coronation Road Cressex High Wycombe Buckinghamshire HP12 3TZ <i>United Kingdom</i>

BIFFA CORPORATE HOLDINGS LIMITED

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BIFFA CORPORATE HOLDINGS LIMITED

STRATEGIC REPORT FOR THE PERIOD ENDED 25 MARCH 2022

Introduction

The Directors present here a strategic review of the business of Biffa Corporate Holdings 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.

Our Strategy

The Company is a holding Company within the Biffa Group, it supports the subsidiaries with the Group strategy detailed in the Annual Report and Accounts for Biffa Plc. The vision of the Biffa Group is to lead the way in UK sustainable waste management. We wish to lead in business performance and returns, innovation, reputation and in how we tackle broader societal issues relevant to our industry. Sustainability is right at the heart of our strategy as we evolve our role as a key enabler of the UK circular economy.

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 was launched in March 2020.

Business review

Principal activities and future developments

The Company will continue to operate as a holding Company within the Biffa Group. Biffa Corporate Holdings 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.

Results for the year

The Company continued to operate as a holding Company within the Biffa Group. Biffa Corporate Holdings Limited is parent Company for the majority of the trading entities 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 Directors expect the principal activities of the Company to remain the same for the foreseeable future. Further information about the Group's operations and strategy is found in the Biffa plc Annual Report and Accounts for the year ended 25 March 2022 (the ARA 2022).

The Company reported a loss before tax in the current period of £39.8m (2021 - loss of £37.0m) due to interest payable on intercompany loans. As the Company is a holding Company management do not monitor KPIs. For a detailed review of the Company's position refer to the Statement of Financial Position on page 10.

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.

BIFFA CORPORATE HOLDINGS LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 25 MARCH 2022

UN Sustainable Development Goals

Sustainable waste management is a key driver for improving environmental, health, social and financial outcomes. We as part of the Biffa Group play a vital role in helping the UK to address the climate change emergency and deliver sustainable economic growth. This is woven through the Groups sustainable growth strategy and is demonstrated through the Group's actions over the past two decades.

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 centered 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 the Group's 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.

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 relies on funding from other Group companies.

BIFFA CORPORATE HOLDINGS LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 25 MARCH 2022

Directors' statement of compliance with duty to promote the success of the Company

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 of Companies (the "Group"), it has applied the governance framework adopted by Biffa plc 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 (the "plc Board") in relation to both the Group and the Company. Further details of how the plc Board has considered the matters set out in s.172 (for the Group and the Company) are set out in the the ARA 2022, which does not form part of this report. During the year, the Directors have also considered, both individually and together, relevant matters where appropriate.

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



.....
R Pike
Director

Date: 19 December 2022

BIFFA CORPORATE HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 25 MARCH 2022

The Directors present their report and the financial statements for the period ended 25 March 2022.

Principal activity

The principal activity of Biffa Corporate Holdings Limited is that of a holding Company within the Biffa Group

Results and dividends

The profit for the period, after taxation, amounted to £39.8m (2021 - loss £37.0m).

No ordinary dividends were paid (2021 - £NIL). The Directors do not recommend payment of a final dividend.

Directors

The Directors who served during the period were:

R Pike
M Topham
Biffa Corporate Services Limited

Principal risks and uncertainties

Information on financial exposure and risk management is disclosed within the Strategic Report on page 2.

Going Concern

The Company operates as a holding company within the Biffa Group. During the year, the Biffa Group's financial performance largely recovered from the effects of the Covid-19 pandemic and the associated lockdown measures. Revenue and Adjusted EBITDA saw significant growth to surpass FY20 levels despite the significant headwinds faced during the year. These included high inflationary cost pressures, driver shortages and supply chain disruption. This resilient performance gives the Directors confidence in the forecast financial performance for the next 12 months.

The Company will continue to have sufficient funds, through funding from its ultimate parent company, Biffa plc, and other companies within the Biffa Group to meet its liabilities as they fall due. This is dependent on Biffa Waste Services Limited not seeking repayment of the amounts currently due to them, allowing continued use of a Group-wide revolving credit facility and providing any additional financial support if required.

The Biffa Group has indicated its intention to continue to make available such funds as are needed by the Company, and that it does not intend to seek repayment of the amounts due at the balance sheet date, for a period at least 12 months from the date of these financial statements. The Biffa Group had un-utilised committed bank facilities available of £341.0m as at the FY22 year end and cash and cash equivalents of £40.8m. This gives a closing leverage ratio (Net Debt / Adjusted EBITDA) of 2.9x on a covenant basis, substantially below the covenant limit of 4.5x. The large headroom on both liquidity and leverage puts the Biffa Group in a strong position to manage fluctuations in financial performance over the next 12 months. The going concern assumption for the Biffa Group has been assessed within the Annual Report and Accounts for Biffa plc for the year ended 25 March 2022, considering a number of the principal risks. Multiple low cases have been tested and the Group could continue to operate for at least the next 12 months in each of these low cases.

The Biffa Group has the ability to be able to continue to support the Company, with levels of committed facilities which the Directors consider sufficient to service its ongoing working capital and capital investment requirements. Consequently, the Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least twelve months from the date of approval of these financial statements and, therefore, have prepared the financial statements on a going concern basis.

BIFFA CORPORATE HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE PERIOD ENDED 25 MARCH 2022

Engagement with suppliers, customers and others

Stakeholder engagement is key to the Biffa Group's long-term success. The Biffa Plc Board directly and indirectly engages with the Group's key stakeholders so that it can understand their interests and them into account, in its decision making. 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.

These included but were not limited to:

- Presentations from management on the acceleration of customer digitalisation to transform customer experience including the launch of the new e-commerce platform and the plans for a new electronic Customer Zone.
- Updates from the CEO and management on the business which included feedback on engagement with our customers, new customer wins and customer contract extensions, and the work with customers to support them with their sustainability goals.
- A report on the work the Group has undertaken on modern slavery and approved the Group's Modern Slavery Statement, which is available on the Biffa Plc website.
- Receipt of information about our suppliers and our payment practices through the Board reports.
- Approval of a number of material supply contracts during the year.

Qualifying third party indemnity provisions

The Company has made qualifying third party indemnity provisions (as defined in the Companies Act 2006) for the benefit of its Directors during the period. These provisions remain in force at the reporting date.

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.

BIFFA CORPORATE HOLDINGS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 25 MARCH 2022**

Matters covered in the Strategic Report

Information on financial exposure and risk management is disclosed within the Strategic Report on page 2.

Audit exemption

For the period ended 25 March 2022, the Company was entitled to exemption from audit under section 479A of the Act relating to subsidiary companies as disclosed in the Annual Report and Financial Statements of Biffa plc which can be obtained from the registered office at Coronation Road, Cressex Business Park, High Wycombe, Buckinghamshire, HP12 3TZ.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

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



.....
R Pike
Director

Date: 19 December 2022

BIFFA CORPORATE HOLDINGS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE PERIOD ENDED 25 MARCH 2022

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. 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;
- 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 to 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.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

BIFFA CORPORATE HOLDINGS LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 25 MARCH 2022**

	Note	2022 £000	2021 £000
Administrative expenses		13	566
Other operating income		-	2,758
Operating profit	5	13	3,324
Profit on investment in Joint Ventures		-	124
Interest receivable and similar income		752	300
Interest payable and similar expenses	8	(40,524)	(40,740)
Loss before tax		(39,759)	(36,992)
Taxation	9	-	-
Loss for the financial period		(39,759)	(36,992)

There were no recognised gains and losses for 2022 or 2021 other than those included in the profit and loss account.

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

The notes on pages 13 to 25 form part of these financial statements.

BIFFA CORPORATE HOLDINGS LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 25 MARCH 2022**

	Note	2022 £000	2021 £000
Loss for the financial period		(39,759)	(36,992)
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Share of movement in JV OCI		-	1,860
Total comprehensive income for the period		(39,759)	(35,132)

The notes on pages 13 to 25 form part of these financial statements.

BIFFA CORPORATE HOLDINGS LIMITED
REGISTERED NUMBER: 05656364

BALANCE SHEET
AS AT 25 MARCH 2022

	Note	25 March 2022 £000	26 March 2021 £000
Fixed assets			
Fixed asset investments		544,355	526,844
Trade and other receivables		14,318	6,025
		<u>558,673</u>	<u>532,869</u>
Current assets			
Debtors: amounts falling due within one year	11	457	14,169
Cash at bank and in hand	12	5	35
		<u>462</u>	<u>14,204</u>
Creditors: amounts falling due within one year	13	(1,417,082)	(1,365,261)
Net current liabilities		<u>(1,416,620)</u>	<u>(1,351,057)</u>
Total assets less current liabilities		<u>(857,947)</u>	<u>(818,188)</u>
Net liabilities		<u><u>(857,947)</u></u>	<u><u>(818,188)</u></u>

BIFFA CORPORATE HOLDINGS LIMITED
REGISTERED NUMBER: 05656364

BALANCE SHEET (CONTINUED)
AS AT 25 MARCH 2022

	Note	25 March 2022 £000	26 March 2021 £000
Capital and reserves			
Called up share capital	14	44	44
Profit and loss account		(857,991)	(818,232)
		<u>(857,947)</u>	<u>(818,188)</u>

The members have not required the Company to obtain an audit for the period 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 19 December 2022.



.....
R Pike
Director

The notes on pages 13 to 25 form part of these financial statements.

BIFFA CORPORATE HOLDINGS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 25 MARCH 2022**

	Called up share capital £000	Hedging reserves £000	Profit and loss account £000	Total equity £000
At 27 March 2020	44	(1,860)	(781,240)	(783,056)
Loss for the period	-	-	(36,992)	(36,992)
Other comprehensive income	-	1,860	-	1,860
At 27 March 2021	44	-	(818,232)	(818,188)
Loss for the period	-	-	(39,759)	(39,759)
At 25 March 2022	44	-	(857,991)	(857,947)

The notes on pages 13 to 25 form part of these financial statements.

BIFFA CORPORATE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 25 MARCH 2022

1. General information

Biffa Corporate Holdings 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. The principal activity of the Company is that of a holding company within the Biffa Group.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

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

The Company is not required to prepare consolidated financial statements in accordance with S401 of the Companies Act 2006, because its results are included in the consolidated financial statements of Biffa plc.

The following principal accounting policies have been applied:

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 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 and 18A 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 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

This information is included in the consolidated financial statements of Biffa plc as at 25 March 2022 and these financial statements may be obtained from the registered office at Coronation Road, Cressex, High Wycombe, Buckinghamshire, HP12 3TZ..

BIFFA CORPORATE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 25 MARCH 2022

2. Accounting policies (continued)

2.3 New and amended IFRS Standards that are effective for the current year

At the date of authorisation of these Financial Statements, the below Standards and amendments are effective for reporting periods beginning after 1 January 2021, but have not impacted on the Group's reporting:

- Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform
- Amendments to References to the Conceptual Framework in IFRS Standards
- IFRS 16 Leases: Amendment to provide lessees with an exemption from assessing whether a Covid-19-related rent concession is a lease modification
- The adoption of the Standards listed above did not have a material impact on the financial statements of the Group

2.4 New standards and interpretations not yet effective

At the date of authorisation of these financial statements, the Group has not applied the following new and revised IFRS Standards that have been issued but are not yet effective and had not yet been adopted:

- IFRS 17 (including the June 2020 amendments to IFRS 17: Insurance Contracts)
- Amendments to IFRS 10 and IAS 28: Sale of Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to IAS 1: Classification of Liabilities as Current or Non-current
- Amendments to IFRS 3: Reference to the Conceptual Framework
- Amendments to IAS 16: Property, Plant and Equipment - Proceeds before intended use
- Amendments to IAS 37: Onerous Contracts – Cost of Fulfilling a Contract
- Annual Improvements to IFRS Standard 2018-2020 Cycle: Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards
- IFRS 9 Financial Instruments, IFRS 16 Leases, and IAS 41 Agriculture
- Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies
- Amendments to IAS 8: Definition of Accounting Estimates
- Amendments to IAS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The Directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Group in any future period.

BIFFA CORPORATE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 25 MARCH 2022

2. Accounting policies (continued)

2.5 Going concern

Biffa Corporate Holdings Limited operates as a holding company within the Biffa Group.

During the year, the Biffa Group's financial performance largely recovered from the effects of the Covid-19 pandemic and the associated lockdown measures. Revenue and Adjusted EBITDA saw significant growth to surpass FY20 levels despite the significant headwinds faced during the year. These included high inflationary cost pressures, driver shortages and supply chain disruption. This resilient performance gives the Directors confidence in the forecast financial performance for the next 12 months.

The Company will continue to have sufficient funds, through funding from its ultimate parent company, Biffa plc, and other companies within the Biffa Group to meet its liabilities as they fall due. This is dependent on Biffa Waste Services Limited not seeking repayment of the amounts currently due to them, allowing continued use of a Group-wide revolving credit facility and providing any additional financial support if required.

The Biffa Group has indicated its intention to continue to make available such funds as are needed by the Company, and that it does not intend to seek repayment of the amounts due at the balance sheet date, for a period at least 12 months from the date of these financial statements. The Biffa Group had un-utilised committed bank facilities available of £341.0m as at the FY22 year end and cash and cash equivalents of £40.8m. This gives a closing leverage ratio (Net Debt / Adjusted EBITDA) of 2.9x on a covenant basis, substantially below the covenant limit of 4.5x. The large headroom on both liquidity and leverage puts the Biffa Group in a strong position to manage fluctuations in financial performance over the next 12 months. The going concern assumption for the Biffa Group has been assessed within the Annual Report and Accounts for Biffa plc for the year ended 25 March 2022, considering a number of the principal risks. Multiple low cases have been tested and the Group could continue to operate for at least the next 12 months in each of these low cases.

The Biffa Group has the ability to be able to continue to support the Company, with levels of committed facilities which the Directors consider sufficient to service its ongoing working capital and capital investment requirements. Consequently, the Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least twelve months from the date of approval of these financial statements and, therefore, have prepared the financial statements on a going concern basis.

2.6 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.7 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.8 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

BIFFA CORPORATE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 25 MARCH 2022

2. Accounting policies (continued)

2.9 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Profit and Loss Account for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

2.10 Associates and joint ventures

Associates and Joint Ventures are held at cost less impairment.

2.11 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.

2.12 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.13 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.14 Financial instruments

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets and financial liabilities are initially measured at fair value.

Financial assets

All recognised financial assets are subsequently measured in their entirety at amortised cost, depending on the classification of the financial assets.

Debt instruments at amortised cost

Debt instruments are subsequently measured at amortised cost where they are financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and selling the financial assets, and the contractual terms of the financial asset give rise on

BIFFA CORPORATE HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 25 MARCH 2022**

2. Accounting policies (continued)**2.14 Financial instruments (continued)**

specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Amortised cost is calculated using the effective interest method and represents the amount measured at initial recognition less repayments of principal plus the cumulative amortisation using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Impairment of financial assets

The Company recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised or at FVOCI. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognises lifetime ECL for trade receivables and amounts due on contracts with customers. The expected credit losses on these financial assets are estimated based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

Financial liabilities**At amortised cost**

Financial liabilities which are neither contingent consideration of an acquirer in a business combination, held for trading, nor designated as at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. This is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate a shorter period, to the amortised cost of a financial liability.

3. Judgements in applying accounting policies 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.

There are no accounting judgements or key sources of estimation uncertainty.

BIFFA CORPORATE HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 25 MARCH 2022**

4. Other operating income

Included in other operating income in exceptional items in the year there is £NIL (2021: £2,758k) gain resulting from Biffa's sale of a 25% right to participate in the Protos Project to Covanta UK for £3,000k, net of £242k transactions costs. Covanta UK's equity interest is shared with Green Investment Group Limited and their joint 75% equity interest is held through Covanta Green Protos Holding Limited.

5. Operating profit

During the prior year, auditor's remuneration of £4,000 was recognised incurred and settled by Biffa Waste Services Limited, a subsidiary undertaking within the Biffa Group. During the current year no audit fees have been incurred.

The Directors' remuneration was borne by Biffa Plc in the current and prior periods. These can be referenced from the ARA 2022, as detailed in the Directors' Annual Report on Remuneration. The number of Directors to whom retirement benefits are accruing under money purchase schemes was nil (2021 - NIL). There are no other employees in either period.

In the current period within Administrative expense the movement on the expected credit loss provision released a credit balance of £13k to the income statement (2021: release of £14k).

6. Employees

The Company has no employees other than the Directors, who did not receive any remuneration (2021 - £NIL).

7. Interest receivable

	2022	2021
	£000	£000
Interest receivable on loans to Joint Ventures	752	300
	752	300

8. Interest payable and similar expenses

	2022	2021
	£000	£000
Loans from group undertakings	40,524	40,740
	40,524	40,740

BIFFA CORPORATE HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 25 MARCH 2022**

9. Taxation

	2022 £000	2021 £000
Total current tax	<u>-</u>	<u>-</u>
Taxation on profit on ordinary activities	<u>-</u>	<u>-</u>

Factors affecting tax charge for the period

The tax assessed for the period/year is the same as (2021 - the same as) the standard rate of corporation tax in the UK of 19% (2021 - 19%) as set out below:

	2022 £000	2021 £000
Loss on ordinary activities before tax	<u>(39,759)</u>	<u>(36,992)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	<u>(7,554)</u>	<u>(7,028)</u>
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	(3)	3
Non-taxable income less expenses not deductible for tax purposes, other than goodwill and impairment	-	(24)
Group relief	<u>7,557</u>	<u>7,049</u>
Total tax charge for the period/year	<u>-</u>	<u>-</u>

Factors that may affect future tax charges

The Finance Act 2021, which provides for an increase in the main rate of corporation tax from 19% to 25% effective from 1 April 2023, was enacted on 24 May 2021. As deferred tax assets and liabilities are measured at the rate that are expected to apply in the periods of reversal, deferred tax balances at the balance sheet date have been calculated at the rate at which the relevant balance is expected to be recovered or settled.

BIFFA CORPORATE HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 25 MARCH 2022**

10. Fixed asset investments

	Investments in subsidiary companies £000	Investment in joint ventures £000	Total £000
Cost or valuation			
At 27 March 2021	513,447	13,397	526,844
Additions	-	17,511	17,511
At 25 March 2022	<u>513,447</u>	<u>30,908</u>	<u>544,355</u>

During the current period, the Company invested an additional £17.5m (£8.4m) of capital in the Protos and Newhurst joint ventures.

The Company's investments in subsidiary undertakings and joint ventures 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 Income Statement when the carrying amount exceeds its recoverable amount. The recoverable amount of an investment is the higher of its fair value less costs of disposal and value in use.

For the subsidiary undertakings at 25 March 2022 the Company has determined their recoverable amount to be their net assets as presented in the subsidiary's own Financial Statements at 25 March 2022 and its value in use to be equal to or lower than that amount.

An annual impairment review in accordance with the approach above has been carried out for each subsidiary undertaking. As a result of this review, the value of the Company's investments in subsidiary undertakings have not been impaired (2021 - £NIL) during the period.

BIFFA CORPORATE HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 25 MARCH 2022**

11. Debtors

	25 March 2022 £000	26 March 2021 £000
Due after more than one year		
Loan notes with Joint Ventures	14,318	6,025
	14,318	6,025

Balances due from Joint Ventures accrue interest at 8% per annum.

	25 March 2022 £000	26 March 2021 £000
Due within one year		
Amounts owed by group undertakings	-	13,504
Other debtors	457	665
	457	14,169

Amounts owed by subsidiary undertakings are unsecured, interest free and have no fixed date of repayment.

12. Cash and cash equivalents

	25 March 2022 £000	26 March 2021 £000
Cash at bank and in hand	5	35
	5	35

BIFFA CORPORATE HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 25 MARCH 2022**

13. Creditors: Amounts falling due within one year

	25 March 2022 £000	26 March 2021 £000
Amounts owed to group undertakings	1,417,082	1,365,261
	1,417,082	1,365,261

Amounts due to Group undertakings are unsecured, non-interest bearing and have no fixed date of repayment, with the exception of a loan for £335.9m (2021 - £335.9m) from Biffa Group Limited which accrues interest at 11% per annum.

14. Share capital

	25 March 2022 £000	26 March 2021 £000
Allotted, called up and fully paid		
4,417,100 (2021 - 4,417,100) Ordinary shares of £0.01 each	44	44

The Company has one class of ordinary shares which carry no right to fixed income.

15. Controlling party

The immediate parent undertaking is Biffa Holdings Limited, a Company incorporated in England and Wales.

The ultimate parent undertaking and the smallest and largest group in which the Company's results are consolidated is Biffa plc, a public limited company registered in England and Wales. Copies of the consolidated Financial Statements of Biffa plc can be obtained from the registered office at Coronation Road, Cressex, High Wycombe, Buckinghamshire, HP12 3TZ and online at www.biffa.co.uk/investors/reports/results-and-reports.

BIFFA CORPORATE HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 25 MARCH 2022**

16. Subsidiary undertakings**Principal subsidiary undertakings**

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Holding
UK Waste Management Limited*	England and Wales	Waste management	100%
Biffa Waste Management Limited*	England and Wales	Waste management	100%
Biffa West Sussex Limited*	England and Wales	Waste management	100%
Bray Insurance Company Limited**	Gibraltar	Insurance services	100%
Poplars Resource Management Company Limited*	England and Wales	Waste management	100%
Biffa Waste Services Limited*	England and Wales	Waste management	100%
Biffa Leicester Limited*	England and Wales	Waste management	100%
Camo Limited*	England and Wales	Waste management	100%
Company Shop Limited***	England and Wales	Other retail non-specialist	100%
Specialist Waste Recycling Limited****	England and Wales	Waste management	100%
Biffa Environmental Municipal Services Limited*	England and Wales	Waste management	100%
Biffa Municipal Limited*	England and Wales	Waste management	100%
Biffa (West Sussex) Recycling Limited*	England and Wales	Waste management	100%
Syracuse Waste Limited*	England and Wales	Waste management	100%

* Registered at Coronation Road, Cressex, High Wycombe, Buckinghamshire HP12 3TZ.

** Registered at Fiduciary Management Limited, Suite 23 Portland House, Glacis Road, Gibraltar, GX11 1AA

*** Registered at Wentworth Way, Tankersley, Barnsley, South Yorkshire, S75 3DH

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

The Company is exempt from the preparation of consolidated Financial Statements under s400 of the Companies Act 2006, because it is included in the Group Financial Statements of Biffa Plc.

For investments in non-trading subsidiary undertakings held as at 25 March 2022 the Company has determined their recoverable amount to be their aggregate net assets/(liabilities) as presented in the subsidiary's own financial statements at 25 March 2022. Cash flow projections are not prepared for non-trading subsidiary undertakings and its value in use is therefore deemed to be equal to its net realisable value. An impairment review in accordance with the approach and assumptions outlined above has been carried out for each subsidiary undertaking. No impairment was deemed necessary in the current or prior period.

BIFFA CORPORATE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 25 MARCH 2022

16. Subsidiary undertakings (continued)

Non-principal subsidiaries

The following were non-principal subsidiaries of the Company:

Name	Registered office	Principal activity	Holding
Biffa Netherlands B.V.****	Netherlands	Holding company	100%
Biffa Waste Limited	England and Wales	Dormant	100%
Biffa Holdings (Jersey) Limited**	Jersey	Dormant	100%
Biffa UK Group Limited	England and Wales	Dormant	100%
Biffa UK Limited	England and Wales	Dormant	100%
Biffa (UK) Holdings Limited	England and Wales	Dormant	100%
UK Waste Management Holdings Limited	England and Wales	Dormant	100%
Biffa (Land) Limited*****	Guernsey	Waste management	100%
Lavelle & Sons Limited	England and Wales	Dormant	100%
Biffa (Corby) Limited	England and Wales	Dormant	100%
Biffa (Earls Barton) Limited	England and Wales	Dormant	100%
Biffa (Roxby) Limited	England and Wales	Dormant	100%
Norwaste Limited	England and Wales	Dormant	100%
Loristan Services Limited	England and Wales	Dormant	100%
Biffa West Sussex Holdco Limited	England and Wales	Dormant	100%
Bray 2008 (Malta) Limited*****	Malta	Holding company	100%
Reclamation & Disposal Limited	England and Wales	Dormant	100%
Biffa Holdings Limited**	England and Wales	Holding company	100%
Biffa (Jersey) Limited	Jersey	Holding company	100%
Richard Biffa (Reclamation) Limited	England and Wales	Dormant	100%
M Joseph & Sons (Birmingham) Limited	England and Wales	Dormant	100%
Biffa Pension Scheme Trustees Limited	England and Wales	Dormant	100%
Cressex Insurance Services Limited	England and Wales	Dormant	100%
White Cross Limited	England and Wales	Dormant	100%
Wastedrive Limited	England and Wales	Dormant	100%
Wastedrive (Manchester) Limited	England and Wales	Waste management	100%
Amber Engineering Limited	England and Wales	Dormant	100%
O'Brien Waste Recycling Solutions Holdings Limited	England and Wales	Dormant	100%
O'Brien Waste Recycling Solutions Limited	England and Wales	Dormant	100%
New Star Environmental Limited	England and Wales	Waste management	100%
SWR Smash & Grab Limited	England and Wales	Waste management	100%
RUR3 Environmental Limited	England and Wales	Waste management	100%
SWRNewstar Limited	England and Wales	Dormant	100%
Company Shop Holdco Limited	England and Wales	Waste management	100%
Simply Waste Solutions Limited	England and Wales	Dormant	100%
Community Shop C.I.C*****	England and Wales	Other retail non-specialist	100%
Weir Waste Services Limited	England and Wales	Dormant	100%
Weir Recycling Services Limited	England and Wales	Dormant	100%
Island Waste Services Limited	England and Wales	Waste management	100%
Barge Waste Management Limited	England and Wales	Waste management	100%

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**NOTES TO THE FINANCIAL STATEMENTS
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16. Subsidiary undertakings (continued)**Non-principal subsidiaries (continued)**

All non-principal subsidiaries have registered address of Coronation Road, Cressex, High Wycombe, Buckinghamshire HP12 3TZ, other than those as per the footnotes below.

** Registered at 44 Esplanade, St Helier, Jersey, JE4 9WG.

**** Registered at Jupiter Building, 2nd Floor, Herikerbergweg 88, 1101 CM Amsterdam, The Netherlands

***** Registered at Intertrust Corporate Services (Cayman) Limited, 190 Elgin Avenue, George Town, Grand Cayman KY19005

***** Registered at PO Box 119, Martello Court, Admiral Park, St Peter Port, Guernsey, GY1 3H.

***** Registered at 171 Old Bakery Street Valletta, VLT 1455 Malta

***** Registered at Wentworth Way, Tankersley, Barnsley, South Yorkshire, S75 3DH

Joint ventures

The following were joint ventures of the Company:

Name	Registered office	Principal activity	Holding
Newhurst ERF Holding Limited	England and Wales	Energy recovery from waste	50%
Newhurst ERF Limited	England and Wales	Energy recovery from waste	50%
Protos Holding Limited	England and Wales	Energy recovery from waste	25%
Protos ERF Limited	England and Wales	Energy recovery from waste	25%

Registered address for all joint ventures is Suite 1, 3rd Floor 11-12 St. James's Square, London, England, SW1Y 4LB.

All of the above joint ventures are accounted for using the cost method in these financial statements as set out in the accounting policies.