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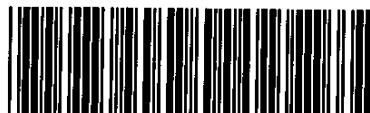
**BIFFA CORPORATE HOLDINGS LIMITED**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 31 MARCH 2023**

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**BIFFA CORPORATE HOLDINGS LIMITED**

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**COMPANY INFORMATION**

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|                          |   |
|--------------------------|---|
| <b>Directors</b>         | P James (appointed 19 September 2023)<br>R Pike (resigned 31 March 2023)<br>M Topham<br>Biffa Corporate Services Limited (resigned 19 September 2023) |
| <b>Company secretary</b> | S Parsons   |
| <b>Registered number</b> | 05656364  |
| <b>Registered office</b> | Coronation Road<br>Cressex<br>High Wycombe<br>Buckinghamshire<br>HP12 3TZ<br>United Kingdom   |

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**BIFFA CORPORATE HOLDINGS LIMITED**

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## BIFFA CORPORATE HOLDINGS LIMITED

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### STRATEGIC REPORT FOR THE PERIOD ENDED 31 MARCH 2023

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#### 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.

The Company is a holding company within the Biffa Group (the "Group"). It supports the subsidiaries with the Group strategy detailed in the Biffa Limited Annual Report and Accounts 2023 (the "ARA 2023").

#### Accounting reference date

These financial statements are for the 53 weeks ended 31 March 2023. The comparatives are for the 52 weeks ended 25 March 2022. The financial statements for the subsequent financial period will be prepared for the 52 weeks ending 29 March 2024. The current period is longer than one year to align to the Group's reporting years ending on the last Friday in March. As a result, amounts presented in the financial statements are not entirely comparable.

#### Our Strategy

The vision of the Biffa Group (the "Group") is simple – 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.

Our strategy is structured around three pillars where our impact can create the most value:

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

*With a focus on four investment areas in line with the waste hierarchy:*

- Reduce – To pioneer and operate the UK's leading waste reduction and surplus produce redistribution services.
- Recycle – To develop recycling solutions which strengthen the UK circular economy.
- Recover – To invest in energy from waste infrastructure as a low carbon alternative to landfill for our customers' waste that can't be recycled.
- Collect – To build the UK's largest, most efficient, low carbon waste and recycling waste collection operation.

The strategy fully supports the Group'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.

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## BIFFA CORPORATE HOLDINGS LIMITED

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### STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2023

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#### UN Sustainable Development Goals

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

Our business has become more sustainable by:

- Improving the efficiency and emissions per tonne of waste in the Collections division.
- Broadening and enhancing our recycling and treatment capabilities.
- Reducing the scale of the landfill business.
- Utilising rail links to transport inert waste.
- Pioneering the transition to electric vehicles and alternative fuels.

In March 2020 the 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 our CO2 emissions by a further 50% in the coming decade. When combined with what the Group has achieved in the last 15 years, that will amount to a reduction in our emissions by over 80%. 'Resourceful, Responsible' is inextricably linked to the Biffa Group's strategic framework and investment in the green economy.

#### 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. Further information about the Group's operations and strategy is found in the ARA 2023.

The Company reported a loss before tax in the current period of £39,908K (2022 - loss of £39,759K) 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 11.

#### Future outlook

The Company expects to continue to operate as a holding company within the Biffa Group for the foreseeable future.

Whilst not immune to the current economic situation, the waste management industry is somewhat protected by the predictable, scheduled nature of services provided to businesses and local councils to ensure the appropriate collection, treatment and 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.

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**BIFFA CORPORATE HOLDINGS LIMITED**

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**STRATEGIC REPORT (CONTINUED)  
FOR THE PERIOD ENDED 31 MARCH 2023**

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**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 consider that the carrying values of the assets represent their recoverable amounts. 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.

**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 Group, it has applied the governance framework adopted by Biffa Limited 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 Limited Board (the "Board") in relation to both the Group and the Company. Further details of how the Board has considered the matters set out in s.172 (for the Group and the Company) are set out in the the ARA 2023, 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.



**P James**  
Director

Date: 18 December 2023

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## BIFFA CORPORATE HOLDINGS LIMITED

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### DIRECTORS' REPORT FOR THE PERIOD ENDED 31 MARCH 2023

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The Directors present their report and the financial statements for the period ended 31 March 2023.

#### Principal activity

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

#### Results and dividends

The loss for the period, after taxation, amounted to £39,987K (2022 - loss £39,759K).

No ordinary dividends were paid (2022 - £NIL). The Directors do not recommend payment of a final dividend.

#### Directors

The Directors who served during the period and up to the date of signature of the financial statements were:

P James (appointed 19 September 2023)

R Pike (resigned 31 March 2023)

M Topham

Biffa Corporate Services Limited (resigned 19 September 2023)

#### Secretary

S Parsons served as company secretary during the period.

#### Principal risks and uncertainties

Information on financial exposure and risk management is disclosed within the Strategic Report on page 3.

#### Going Concern

The Company operates as a holding company within the Biffa Group.

The Biffa Group has performed strongly again throughout FY23, growing Revenue and Adjusted EBITDA despite continued headwinds in the form of inflationary pressures, supply chain disruption and a challenging economic outlook.

The Company will continue to have sufficient funds, through funding from the Group's parent company, Biffa Topco Limited, 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 banking 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 of at least 12 months from the date of these financial statements. At the year end the Biffa Group had unutilised committed bank facilities available of £102.0m and cash and cash equivalents of £41.3m. This gives a closing leverage ratio (Net Debt:Adjusted EBITDA) of 3.4x on a covenant basis, substantially below the covenant limit of 4.0x corresponding to the new debt facilities effective from 23 May 2023. The headroom on the 4.0x interest cover covenant limit is significantly greater than the headroom on the leverage covenant.

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## BIFFA CORPORATE HOLDINGS LIMITED

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### DIRECTORS' REPORT (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2023

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#### Going concern (continued)

Since the year end, the Biffa Group has restructured its debt by increasing its rolling credit facility by £150m, increasing its term loans by £135m and replacing its existing £345m of private placements with £260m of new private placements. The net impact of these changes is an increase in total liquidity of £200m. Cash flow forecasts indicate that the Biffa Group will maintain strong levels of net available liquidity throughout the next 12 months, so the Group would have sufficient liquidity to fund a large one-off cash payment.

The going concern assumption for the Biffa Group has been assessed within the Annual Report and Accounts for Biffa Limited for the year ended 31 March 2023, considering a number of the principal risks. Management have applied reverse stress tests to determine the extent to which key financial measures could worsen over the next 12 months before covenant limits are breached. Interest cover headroom is expected to be noticeably lower than previous periods due to increased floating rate exposure and a sharp rise in interest rates, so certain downside scenarios could cause a breach of interest cover simultaneously with leverage ratio. However sufficient headroom is expected over the next 12 months so that a breach of either covenant would still require a significant worsening in EBITDA and cash flow alongside a rise in interest rates. Interest cover headroom is expected to reduce further at September 2024, making a potential breach due to a worsening of performance or a rise in interest rate expectations more likely than at March 2024. An amendment to the covenant has been approved by lenders and if required we could further improve headroom by carrying out a number of cash improvement initiatives such as delaying capital expenditure, cancelling non-essential costs and working capital management. It may also be possible to enter into an interest rate swap to reduce the exposure to any further adverse interest rate movements. On this basis we consider the likelihood of a future covenant breach at September 2024 to be remote.

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.

#### Future developments

Future outlook is discussed on page 2 of the Strategic Report

#### 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.

#### Matters covered in the Strategic Report

Information on financial exposure and risk management is disclosed within the Strategic Report on page 3.

#### Audit exemption

For the period ended 31 March 2023, 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 Limited which can be obtained from the registered office at Coronation Road, Cressex Business Park, High Wycombe, Buckinghamshire, HP12 3TZ.



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**BIFFA CORPORATE HOLDINGS LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE PERIOD ENDED 31 MARCH 2023**

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**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.



**P James**  
Director

Date: 18 December 2023

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**BIFFA CORPORATE HOLDINGS LIMITED**

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**DIRECTORS' RESPONSIBILITIES STATEMENT  
FOR THE PERIOD ENDED 31 MARCH 2023**

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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.

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**BIFFA CORPORATE HOLDINGS LIMITED**

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**PROFIT AND LOSS ACCOUNT  
FOR THE PERIOD ENDED 31 MARCH 2023**

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|  | Note | 53 weeks<br>ended<br>31 March<br>2023<br>£000 | 52 weeks<br>ended<br>25 March<br>2022<br>£000 |
|--|------|---|---|
| Administrative expenses                |      | -   | 13  |
| <b>Operating profit</b>                | 4    | <u>-</u>                                      | <u>13</u>                                     |
| Interest receivable and similar income |      | 1,252   | 752   |
| Interest payable and similar expenses  | 7    | (41,160)                                      | (40,524)                                      |
| <b>Loss before tax</b>                 |      | <u>(39,908)</u>                               | <u>(39,759)</u>                               |
| Taxation                               | 8    | (79)  | -   |
| <b>Loss for the financial period</b>   |      | <u><u>(39,987)</u></u>                        | <u><u>(39,759)</u></u>                        |

There were no recognised gains and losses for 2023 or 2022 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 11 to 23 form part of these financial statements.

**BIFFA CORPORATE HOLDINGS LIMITED**  
**REGISTERED NUMBER: 05656364**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2023**

|   | Note | 31 March<br>2023<br>£000 | 25 March<br>2022<br>£000 |
|---|------|--------------------------|--------------------------|
| <b>Non-current assets</b>                             |      |                          |                          |
| Investments   | 9    | 555,918                  | 544,355                  |
| Debtors: amounts falling due after more than one year | 10   | 20,220                   | 14,318                   |
|   |      | <u>576,138</u>           | <u>558,673</u>           |
| <b>Current assets</b>                                 |      |                          |                          |
| Debtors: amounts falling due within one year          | 10   | 308                      | 457                      |
| Cash at bank and in hand                              | 11   | 5                        | 5                        |
|   |      | <u>313</u>               | <u>462</u>               |
| Creditors: amounts falling due within one year        | 12   | (1,474,385)              | (1,417,082)              |
| <b>Net current liabilities</b>                        |      | <u>(1,474,072)</u>       | <u>(1,416,620)</u>       |
| <b>Total assets less current liabilities</b>          |      | <u>(897,934)</u>         | <u>(857,947)</u>         |
| <b>Net liabilities</b>                                |      | <u>(897,934)</u>         | <u>(857,947)</u>         |
| <b>Capital and reserves</b>                           |      |                          |                          |
| Called up share capital                               | 13   | 44                       | 44                       |
| Profit and loss account                               |      | (897,978)                | (857,991)                |
|   |      | <u>(897,934)</u>         | <u>(857,947)</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 by:



**P James**  
Director

Date: 18 December 2023

The notes on pages 11 to 23 form part of these financial statements.

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BIFFA CORPORATE HOLDINGS LIMITED

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STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 MARCH 2023

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|                         | Called up<br>share capital<br>£000 | Profit and<br>loss account<br>£000 | Total equity<br>£000 |
|-------------------------|------------------------------------|------------------------------------|----------------------|
| <b>At 27 March 2021</b> | <b>44</b>                          | <b>(818,232)</b>                   | <b>(818,188)</b>     |
| Loss for the period     | -                                  | (39,759)                           | (39,759)             |
| <b>At 25 March 2022</b> | <b>44</b>                          | <b>(857,991)</b>                   | <b>(857,947)</b>     |
| Loss for the period     | -                                  | (39,987)                           | (39,987)             |
| <b>At 31 March 2023</b> | <b>44</b>                          | <b>(897,978)</b>                   | <b>(897,934)</b>     |

The notes on pages 11 to 23 form part of these financial statements.

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## BIFFA CORPORATE HOLDINGS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023

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#### 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 section 401 of the Companies Act 2006, because its results are included in the consolidated financial statements of Biffa Limited.

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 Limited as at 31 March 2023 and these financial statements may be obtained from the registered office at Coronation Road, Cressex, High Wycombe, Buckinghamshire, HP12 3TZ.

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BIFFA CORPORATE HOLDINGS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2023

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**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 2022, but have not impacted on the Company's reporting:

- 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 IFRS 3 Business Combinations: References 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

The adoption of the Standards listed above did not have a material impact on the financial statements of the Company.

**2.4 New standards and interpretations not yet effective**

At the date of authorisation of these financial statements, the Company 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 *Insurance Contracts*
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current
- Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies
- Amendments to IAS 1: Noncurrent Liabilities with Covenants
- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates
- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to IFRS 16: Lease Liability in a Sale and Leaseback
- Amendments to IFRS 17: Initial Application of IFRS 17 and IFRS 9 – Comparative Information

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

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## BIFFA CORPORATE HOLDINGS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023

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## 2. Accounting policies (continued)

### 2.5 Going concern

The Company operates as a holding company within the Biffa Group.

The Biffa Group has performed strongly again throughout FY23, growing Revenue and Adjusted EBITDA despite continued headwinds in the form of inflationary pressures, supply chain disruption and a challenging economic outlook.

The Company will continue to have sufficient funds, through funding from the Group's parent company, Biffa Topco Limited, 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 banking 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 of at least 12 months from the date of these financial statements. At the year end the Biffa Group had unutilised committed bank facilities available of £102.0m and cash and cash equivalents of £41.3m. This gives a closing leverage ratio (Net Debt:Adjusted EBITDA) of 3.4x on a covenant basis, substantially below the covenant limit of 4.0x corresponding to the new debt facilities effective from 23 May 2023. The headroom on the 4.0x interest cover covenant limit is significantly greater than the headroom on the leverage covenant.

Since the year end, the Biffa Group has restructured its debt by increasing its rolling credit facility by £150m, increasing its term loans by £135m and replacing its existing £345m of private placements with £260m of new private placements. The net impact of these changes is an increase in total liquidity of £200m. Cash flow forecasts indicate that the Biffa Group will maintain strong levels of net available liquidity throughout the next 12 months, so the Group would have sufficient liquidity to fund a large one-off cash payment.

The going concern assumption for the Biffa Group has been assessed within the Annual Report and Accounts for Biffa Limited for the year ended 31 March 2023, considering a number of the principal risks. Management have applied reverse stress tests to determine the extent to which key financial measures could worsen over the next 12 months before covenant limits are breached. Interest cover headroom is expected to be noticeably lower than previous periods due to increased floating rate exposure and a sharp rise in interest rates, so certain downside scenarios could cause a breach of interest cover simultaneously with leverage ratio. However sufficient headroom is expected over the next 12 months so that a breach of either covenant would still require a significant worsening in EBITDA and cash flow alongside a rise in interest rates. Interest cover headroom is expected to reduce further at September 2024, making a potential breach due to a worsening of performance or a rise in interest rate expectations more likely than at March 2024. An amendment to the covenant has been approved by lenders and if required we could further improve headroom by carrying out a number of cash improvement initiatives such as delaying capital expenditure, cancelling non-essential costs and working capital management. It may also be possible to enter into an interest rate swap to reduce the exposure to any further adverse interest rate movements. On this basis we consider the likelihood of a future covenant breach at September 2024 to be remote.

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.



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**BIFFA CORPORATE HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2023**

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**2. Accounting policies (continued)**

**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 Taxation**

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

**2.9 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated 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.

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## BIFFA CORPORATE HOLDINGS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023

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#### 2. Accounting policies (continued)

##### 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 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.

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BIFFA CORPORATE HOLDINGS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2023

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**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.

**4. Operating profit**

In the current period within Administrative expense the movement on the expected credit loss provision was £NIL (2022 - release of £14k).

**5. Employees**

The Company has no employees other than the Directors, who did not receive any remuneration (2022 - £NIL).

**6. Interest receivable**

|   | <b>53 weeks<br/>ended<br/>31 March<br/>2023<br/>£000</b> | <b>52 weeks<br/>ended<br/>25 March<br/>2022<br/>£000</b> |
|---|--|--|
| Interest receivable on loans to joint ventures and associates | <b>1,252</b>   | 752  |
|   | <b><u>1,252</u></b>                                      | <u>752</u>   |

**BIFFA CORPORATE HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
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**7. Interest payable and similar expenses**

|                               | <b>53 weeks<br/>ended<br/>31 March<br/>2023<br/>£000</b> | <b>52 weeks<br/>ended<br/>25 March<br/>2022<br/>£000</b> |
|-------------------------------|--|--|
| Loans from group undertakings | 41,160   | 40,524   |
|                               | <u>41,160</u>  | <u>40,524</u>  |

**8. Taxation**

|                                     | <b>53 weeks<br/>ended<br/>31 March<br/>2023<br/>£000</b> | <b>52 weeks<br/>ended<br/>25 March<br/>2022<br/>£000</b> |
|-------------------------------------|--|--|
| <b>Corporation tax</b>              |  |  |
| Current tax on profits for the year | 79   | -  |
|                                     | <u>79</u>  | <u>-</u>   |

**Factors affecting tax charge for the period**

The tax assessed for the period is lower than (2022 - lower than) the standard rate of corporation tax in the UK of 19% (2022 - 19%). The differences are explained below:

|  | <b>53 weeks<br/>ended<br/>31 March<br/>2023<br/>£000</b> | <b>52 weeks<br/>ended<br/>25 March<br/>2022<br/>£000</b> |
|--|--|--|
| Loss on ordinary activities before tax   | (39,908)   | (39,759)   |
| Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2022 - 19%) | (7,583)  | (7,554)  |
| <b>Effects of:</b>   |  |  |
| Expenses not deductible for tax purposes   | -  | (3)  |
| Group relief   | 7,583  | 7,557  |
| Controlled Foreign Company tax charge  | 79   | -  |
| <b>Total tax charge for the period</b>   | <u>79</u>  | <u>-</u>   |

The Controlled Foreign Company tax charge is in relation to Bray Insurance Company Limited, a directly owned subsidiary registered in Gibraltar.

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**BIFFA CORPORATE HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2023**

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**8. Taxation (continued)****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.

**9. Fixed asset investments**

|                  | Investments<br>in<br>subsidiary<br>companies<br>£000 | Investment<br>in joint<br>ventures and<br>associates<br>£000 | Total<br>£000  |
|------------------|--|--|----------------|
| <b>Cost</b>      |  |  |                |
| At 26 March 2022 | 513,447  | 30,908   | 544,355        |
| Additions        | -  | 11,563   | 11,563         |
| At 31 March 2023 | <u>513,447</u>                                       | <u>42,471</u>  | <u>555,918</u> |

During the period, the Company invested a further £4,392K (2022: £10,964K) in its Newhurst joint venture and a further £7,171K (2022: £6,547K) in its associate shareholding of Protos.

The Company's investments in subsidiary undertakings and joint ventures and associates are reviewed at each Statement of Financial Position date on an investment by investment basis to determine whether there is any indication of impairment. An impairment loss is recognised in its 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.

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 (2022 - £NIL) during the period. The Company has determined their recoverable amount to be their net assets as presented in the subsidiary's own financial statements at 31 March 2023 and its value in use to be equal to or higher than that amount.

Details of subsidiaries, joint ventures and associates are provided in note 15.

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10. Debtors

|   | 31 March<br>2023<br>£000 | 25 March<br>2022<br>£000 |
|---|--------------------------|--------------------------|
| <b>Due after more than one year</b>           |                          |                          |
| Loan notes with joint ventures and associates | 20,220                   | 14,318                   |
|   | <u>20,220</u>            | <u>14,318</u>            |

Balances due from joint ventures and associates accrue interest at 8% per annum.

|                            | 31 March<br>2023<br>£000 | 25 March<br>2022<br>£000 |
|----------------------------|--------------------------|--------------------------|
| <b>Due within one year</b> |                          |                          |
| Other debtors              | 308                      | 457                      |
|                            | <u>308</u>               | <u>457</u>               |

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

11. Cash and cash equivalents

|                          | 31 March<br>2023<br>£000 | 25 March<br>2022<br>£000 |
|--------------------------|--------------------------|--------------------------|
| Cash at bank and in hand | 5                        | 5                        |
|                          | <u>5</u>                 | <u>5</u>                 |

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BIFFA CORPORATE HOLDINGS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
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12. Creditors: Amounts falling due within one year

|                                    | 31 March<br>2023<br>£000 | 25 March<br>2022<br>£000 |
|------------------------------------|--------------------------|--------------------------|
| Amounts owed to group undertakings | 1,473,601                | 1,417,082                |
| Corporation tax                    | 79                       | -                        |
| Accruals and deferred income       | 705                      | -                        |
|                                    | <u>1,474,385</u>         | <u>1,417,082</u>         |

Amounts due to Group undertakings are unsecured, non-interest bearing and have no fixed date of repayment, with the exception of a loan for £335,895K (2022 - £335,895K) from Biffa Group Limited which accrues interest at 11% per annum.

13. Share capital

|  | 31 March<br>2023<br>£000 | 25 March<br>2022<br>£000 |
|--|--------------------------|--------------------------|
| <b>Allotted, called up and fully paid</b>                  |                          |                          |
| 4,417,100 (2022 - 4,417,100) Ordinary shares of £0.01 each | <u>44</u>                | <u>44</u>                |

14. Controlling party

The immediate parent undertaking is Biffa Group Holdings (UK) Limited, a Company incorporated in England and Wales, whose registered office is Coronation Road, Cressex, High Wycombe, Buckinghamshire, HP12 3TZ.

The Company's results are consolidated into the accounts of Biffa Limited, a company incorporated in England and Wales, whose registered office is Coronation Road, Cressex, High Wycombe, Buckinghamshire, HP12 3TZ. Biffa Limited is the parent company of the smallest and largest group in which the Company's results are consolidated. Copies of the consolidated financial statements can be obtained from the registered office and online at <https://www.biffa.co.uk/our-sustainable-business/aboutus/annual-report>.

The ultimate controlling party is ECP ControlCo, LLC, registered in Delaware, United States.

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**BIFFA CORPORATE HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2023**

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**15. Subsidiaries, joint ventures and associates**

**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

| <b>Name</b>   | <b>Registered office</b> | <b>Principal activity</b>   | <b>Holding</b> |
|---|--------------------------|-----------------------------|----------------|
| Amber Engineering Limited*                          | England and Wales        | Dormant                     | 100%           |
| Barge Waste Management Limited*                     | England and Wales        | Waste management            | 100%           |
| Biffa (Corby) Limited*                              | England and Wales        | Dormant                     | 100%           |
| Biffa (Earls Barton) Limited*                       | England and Wales        | Dormant                     | 100%           |
| Biffa (Jersey) Limited**                            | Jersey                   | Holding company             | 100%           |
| Biffa (Land) Limited***                             | Guernsey                 | Waste management            | 100%           |
| Biffa (Roxby) Limited*                              | England and Wales        | Dormant                     | 100%           |
| Biffa (UK) Holdings Limited*                        | England and Wales        | Dormant                     | 100%           |
| Biffa (West Sussex) Recycling Limited*              | England and Wales        | Waste management            | 100%           |
| Biffa Environmental Municipal Services Limited*     | England and Wales        | Waste management            | 100%           |
| Biffa Holdings (Jersey) Limited**                   | Jersey                   | Dormant                     | 100%           |
| Biffa Holdings Limited*                             | England and Wales        | Holding company             | 100%           |
| Biffa Leicester Limited*+                           | England and Wales        | Waste management            | 100%           |
| Biffa Netherlands B.V.****+                         | Netherlands              | Holding company             | 100%           |
| Biffa Pension Scheme Trustees Limited*              | England and Wales        | Dormant                     | 100%           |
| Biffa UK Group Limited*                             | England and Wales        | Dormant                     | 100%           |
| Biffa UK Limited*                                   | England and Wales        | Dormant                     | 100%           |
| Biffa Waste Limited*+                               | England and Wales        | Dormant                     | 100%           |
| Biffa Waste Management Limited*                     | England and Wales        | Waste management            | 100%           |
| Biffa Waste Services Limited*                       | England and Wales        | Waste management            | 100%           |
| Biffa West Sussex Holdco Limited*+                  | England and Wales        | Dormant                     | 100%           |
| Biffa West Sussex Limited*                          | England and Wales        | Waste management            | 100%           |
| Bray Insurance Company Limited*****+                | Gibraltar                | Insurance services          | 100%           |
| CAMO Limited*                                       | England and Wales        | Dormant                     | 100%           |
| Community Shop C.I.C.*****                          | England and Wales        | Other retail non-specialist | 100%           |
| Company Shop Holdco Limited*+                       | England and Wales        | Dormant                     | 100%           |
| Company Shop Limited*****                           | England and Wales        | Other retail non-specialist | 100%           |
| Cressex Insurance Services Limited*+                | England and Wales        | Dormant                     | 100%           |
| Forge Recycling (Holdings) Limited*                 | England and Wales        | Holding company             | 100%           |
| Forge Recycling (UK) Limited*                       | England and Wales        | Waste management            | 100%           |
| Island Waste Services Limited*                      | England and Wales        | Waste management            | 100%           |
| Lavelle & Sons Limited*                             | England and Wales        | Dormant                     | 100%           |
| Loristan Services Limited*                          | England and Wales        | Dormant                     | 100%           |
| M Joseph & Son (Birmingham) Limited*                | England and Wales        | Dormant                     | 100%           |
| New Star Environmental Limited*                     | England and Wales        | Waste management            | 100%           |
| Norwaste 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%           |
| Poplars Resource Management Company Limited*        | England and Wales        | Waste management            | 100%           |
| Reclamation & Disposal Limited*+                    | England and Wales        | Dormant                     | 100%           |
| Richard Biffa (Reclamation) Limited*                | England and Wales        | Dormant                     | 100%           |
| RUR3 Environmental Limited*                         | England and Wales        | Waste management            | 100%           |



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**BIFFA CORPORATE HOLDINGS LIMITED**

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**15. Subsidiaries, joint ventures and associates (continued)**

**Subsidiary undertakings (continued)**

| <b>Name</b>  | <b>Registered office</b> | <b>Principal activity</b> | <b>Holding</b> |
|--|--------------------------|---------------------------|----------------|
| Simply Waste Solutions Limited*                            | England and Wales        | Dormant                   | 100%           |
| Specialist Waste Recycling Limited*****                    | Scotland                 | Waste management          | 100%           |
| SWR Smash & Grab Limited*                                  | England and Wales        | Waste management          | 100%           |
| SWRNewstar Limited*  | England and Wales        | Dormant                   | 100%           |
| Syracuse Waste Limited*                                    | England and Wales        | Waste management          | 100%           |
| The Withnell Brick and Terra Cotta Company (1912) Limited* | England and Wales        | Dormant                   | 100%           |
| Total Recycling Services Limited*                          | England and Wales        | Waste management          | 100%           |
| UK Waste Management Holdings Limited*                      | England and Wales        | Dormant                   | 100%           |
| UK Waste Management Limited*                               | England and Wales        | Waste management          | 100%           |
| Wastedrive (Manchester) Limited*                           | England and Wales        | Waste management          | 100%           |
| Wastedrive Limited*  | England and Wales        | Dormant                   | 100%           |
| Weir Recycling Services Limited*                           | England and Wales        | Dormant                   | 100%           |
| Weir Waste Services Limited*                               | England and Wales        | Dormant                   | 100%           |
| White Cross Limited*+                                      | England and Wales        | Dormant                   | 100%           |

+ Directly held by Biffa Corporate Holdings Limited

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

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

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

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

\*\*\*\*\* 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

All shareholdings in subsidiaries, held directly or indirectly, are in Ordinary shares, except Biffa (Land) Limited, where Preference shares are in issue and held in addition to Ordinary shares.

All subsidiaries principal place of business aligns to the country of its registered office.

All subsidiaries have a financial year end conterminous with Biffa Corporate Holdings Limited, except Community Shop C.I.C. (2 April 2023), Company Shop Limited (2 April 2023), Forge Recycling (Holdings) Limited (27 March 2023), Forge Recycling (UK) Limited (27 March 2023) and Total Recycling Services Limited (31 October 2022).

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 Limited.

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BIFFA CORPORATE HOLDINGS LIMITED

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15. Subsidiaries, joint ventures and associates (continued)

Joint ventures and associates

The following were joint ventures and associates 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 and associates is Suite 1, 3rd Floor 11-12 St. James's Square, London, England, SW1Y 4LB.

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