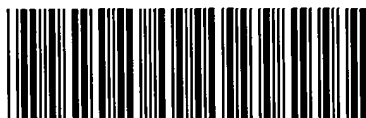


Biffa Waste Services Limited
Annual Report and Financial Statements
For the 52 weeks ended 27 March 2015

Company number : 0946107

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Biffa Waste Services Limited

Company information

Registered office

Coronation Road
Cressex
High Wycombe
Buckinghamshire
HP12 3TZ

Directors

I R Wakelin
K Woodward
M Topham

Company Secretary

K Woodward

Registered Auditor

Deloitte LLP
Chartered Accountant and Statutory Auditor
Abbots House
Abbey Street
Reading
RG1 3BD
United Kingdom

Biffa Waste Services Limited
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Biffa Waste Services Limited
Strategic Report for the 52 weeks ended 27 March 2015

The Directors present here a strategic review of the business of Biffa Waste Services 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

Our vision is to become the UK's undisputed leading solutions provider of creative sustainable waste management services whilst delivering sustainable growth, reducing risk and improving long term financial performance.

The Company has focused on 5 key goals during the 52 weeks ended 27 March 2015. It is believed that continued focus on these 5 key goals will drive the desired success across all areas of the business for the next financial year. These goals are:

- **Working together safely**
We aim to be industry leading in health and safety, keeping our customers, employees and the general public safe at all times, whilst minimising the impact we have on the environment.
- **First choice for customers**
To be the leading brand and solutions provider by delivering high quality, innovative services which deliver great value and are the envy of our competitors.
- **Easy to do business with**
We continue to ensure our key business processes are lean, efficient, effective and fit for purpose.
- **Building pride in Biffa**
We want our people to be enthusiastic about our business and willing to go the extra mile.
- **Growing profitably**
We aim to deliver year on year growth through the effective management of our business.

Throughout the year the business delivered its services in four main divisions:

- **Industrial and Commercial**
Provides waste collection and associated services to industrial and commercial waste producers.
- **Municipal**
Provides waste collection and associated services to households on behalf of municipal council customers.
- **Energy**
Provides renewable energy generation from the Company's portfolio of landfill gas and anaerobic digestion (AD) assets.
- **Resource Recovery and Treatment**
Provides waste treatment and disposal services for customers including recycling, fuel preparation, composting, polymer reprocessing, landfill and other treatments.

The Company has built its future strategy and five year plan around these four key areas of the business.

Biffa Waste Services Limited
Strategic Report for the 52 weeks ended 27 March 2015 (continued)

Review of the year

The Industrial and Commercial division has continued with its programme of cost reductions which have improved operating efficiencies whilst at the same-time ensuring that both its existing and new customer contracts are priced at the right level. The business has stabilised its volumes and continues to reduce its customer churn, it has grown sales year on year and as a result is starting to show signs of organic growth. In addition, the division has continued to drive consolidation within the industry. The acquisitions of the solid waste divisions of Shanks Group Plc and PHS Wastetech, completed in the prior year, were successfully integrated into the division's operating platform.

The Energy division has had a productive year. The division has offset significant market power price erosion through on-going optimisation of gas volumes and focused cost and performance management across the fleet. The AD operations exceeded budget through reduced operational costs and increased gas yields despite increasing market competition for viable feedstock.

The Municipal division continues to trade strongly generating positive cash returns with clear visibility and secured long term earnings. The continuing success of the business to secure long term extensions provides demonstrable evidence of the service excellence and value for money proposition offered by the division.

The Resource Recovery and Treatment division has faced a challenging 12 months due to the volatility in the commodities market which has impacted greatly on the profitability of the MRF and Polymers business. Operational improvements have helped to soften the full impact of the downturn.

Other areas of the portfolio delivered steady performances. Within the landfill business the division has experienced strengthening prices and is beginning to benefit from the reduced number of landfill sites that remain operational and able to accept waste that cannot be recycled or treated for energy recovery. The hazardous waste business saw the introduction of Haz direct which has shown exceptional growth since its launch.

Growing profitably

Trading results

The Directors utilise a number of key performance indicators when measuring the performance of the business.

	52 weeks to 27 March 2015 £m	52 weeks to 28 March 2014 £m (restated)
Operating profit	14.0	11.6
Exceptional items	(2.8)	(26.3)
Net interest payable	(6.8)	(6.6)
Profit/(loss) before taxation	4.4	(21.3)

Non-financial key performance indicators including RIDDOR and Accident Frequency Rate are detailed in the relevant sections below.

Biffa Waste Services Limited
Strategic Report for the 52 weeks ended 27 March 2015 (continued)

Future outlook

The Industrial and Commercial business continues to operate in a highly competitive marketplace where there remains excess capacity and it is likely that further industry consolidation will occur. Biffa's I&C Division is well placed to take advantage of these prevailing conditions. In the year ahead we expect to build on the current years successes by driving forward with sales growth, the consolidation of the gains delivered through the acquisitions programme, and through a continued focus on operational excellence and ongoing efficiency improvements.

We are confident that the Industrial and Commercial business is well placed to deliver its key objectives in the year ahead and increasingly provide a strong UK wide service offering to its customers.

The Energy division continues to hedge its future market power prices, abating the volatility experienced in the current market. The division will continue to focus on cost and engine performance management in order to ensure future forecasts are achieved.

The Municipal division is well placed for 2015/16. The local authority market continues to face financial pressures to deliver public services more cost effectively. The opportunity for growth is enhanced as more in-house service providers seek to procure contracts with the private sector. The continued provision of high quality services, innovation, and development of new services keeps the business well positioned to maximise any new opportunities.

The Resource Recovery and Treatment business continues with its strategy to diversify its disposal offering. It will be opening a number of new treatment facilities in the next 12 months such as an aggregate recycling plant; a new soil treatment facility and a composting facility. The hazardous waste business continues to develop new services for upsell to the existing Biffa customer base which will see the launch of Haz response (an emergency call out service for spillages) and Haz pack (on site chemist packing service).

Success has been seen in securing volumes into the MRF's on a risk share mechanism, this will provide protection against further commodity price fluctuations. Significant investment has been made into developing the glass processing capability to upgrade the quality of the final product which again will lead to profit improvements.

Principal risks

The Directors are very 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 very detailed internal risk assessment analysis on all aspects of the business. The key risks that may prevent the Company from achieving its objectives are:

- The technologies employed fail to deliver expected performance or end product for the markets in which the Company operates.
- The Company's service offerings fail to react to legislative and market dynamics.
- The Company has contractual and other arrangements with numerous third parties in support of its business. None of these is considered, individually, to be essential to the business of the Company.

In mitigation of the above risks, the Company continues to make significant investment in new technologies and regularly reviews its service offerings to ensure they are fully compliant and meet the needs of its customers.

Biffa Waste Services Limited
Strategic Report for the 52 weeks ended 27 March 2015 (continued)

Credit risk

Credit risk is managed on a group basis as appropriate. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted.

Liquidity risk

The Company and the Biffa Group ensures that there are sufficient committed loan facilities in order to meet short term business requirements, after taking into account cash flows from operations and its holding of cash and cash equivalents.

Currency risk

The Company and the Biffa Group have no material exposure to currency arrangements.

Price risk

The Company and the Biffa Group are not materially exposed to any equity securities risk. Both the Energy and Processing and Industrial and Commercial divisions are exposed to commodity price risks on their outputs.

Employees


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

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

Working together safely

Working together safely remains a core driver of the business and remains of utmost importance in the opinion of the Board. The Board considers that health and safety is of, at least, equal importance in comparison to any other aspect of business management and is committed to promoting high standards of health, safety and welfare on all of their sites, premises, and in all of their activities.

On behalf of the Board


Ian Wakelin
Director
21 March 2016

Biffa Waste Services Limited
Report of the Directors for the 52 weeks ended 27 March 2015

Directors: I Wakelin
M Topham
K Woodward

Secretary: K Woodward

The Directors present the Report of the Directors for the 52 weeks ended 27 March 2015.

Going concern statement

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on pages 3 to 6.

The Company is managed as part of the Biffa Group of companies. The 'Biffa Group' of companies have committed facilities which the Directors consider sufficient to service its ongoing working capital and capital investment requirements.

The Directors have considered other supportive factors in arriving at their conclusion including:

- The long term contracts with its customers and suppliers across different industries which include long-term municipal and integrated waste management contracts
- The Company and the Biffa Group's strategic plans supporting the short, medium and long-term cashflow.

After reviewing the above and taking into account current and future developments and principal risks and uncertainties as discussed in the Strategic Report, the Directors have a reasonable expectation that the Company is well placed to manage its business risks successfully, and have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

Biffa Waste Services Limited
Report of the Directors for the 52 weeks ended 27 March 2015 (continued)

Dividends

The Directors do not propose the payment of a final dividend. No interim dividends were paid during the period. No dividends were paid or proposed in the prior financial period.

Directors

The Directors detailed above served for the 52 weeks ended 27 March 2015.

Directors' indemnities

In accordance with the Articles of the Company, all of the Directors of the Company and the Directors of associated companies have been granted indemnities by the Company to the maximum extent permitted under Article 77 of the Companies (Jersey) Law 1991 (including the right to recover costs on an "as incurred" basis, save that such indemnities will not apply to the extent that any recovery is made under any policy of insurance or if the relevant Director or Directors is or are in breach of obligations in relation to the conduct of claims or if the Company determines that the liability arises out of the Director's fraud or wilful default.

Website

The Group website can be found at www.biffa.co.uk. The website provides details of the Group's principal activities, major projects, environmental and corporate responsibility data and serves as a way for customers to interact with the business.

Auditor

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

Each of the Directors of the Company at the date when this report was approved confirms that:

- So far as each of the Directors is aware, there is no relevant audit information of which the Company's auditor are unaware; and
- Each of the Directors has taken all steps that he/she ought to have taken as a Director to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

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

By Order of the Board



Ian Wakelin
Director

21 March 2016

Biffa Waste Services Limited
Statement of Directors' responsibilities for the 52 weeks ended 27 March 2015

Statement of Directors' responsibilities

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have elected to prepare the financial statements in accordance with 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 Financial Reporting Standard 101 Reduced Disclosure Framework has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable him 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.

**Independent Auditor's report to the Directors of Biffa Waste Services Limited
for the 52 weeks ended 27 March 2015**

We have audited the Company financial statements (the "financial statements") of Biffa Waste Services Limited for the 52 weeks ended 27 March 2015 which comprise the Accounting policies, the Profit and loss account, the Balance sheet, the Statement of changes in equity and the related notes 1 to 25. The financial reporting framework that has been applied in their preparation is applicable law and Financial Reporting Standard 101 Reduced Disclosure Framework.

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

Respective responsibilities of Directors and auditor

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 27 March 2015 and of its profit for the period then ended;
- have been properly prepared in accordance with Financial Reporting Standard (FRS) 101 Reduced Disclosure Framework; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

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

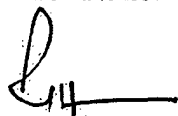
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

**Independent Auditor's report to the Directors of Biffa Waste Services Limited
for the 52 weeks ended 27 March 2015 (continued)**

Matters on which we are required to report by exception

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

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



Ross Howard FCA
For and on behalf of Deloitte LLP
Chartered Accountant and Statutory Auditor
London, United Kingdom

21 March 2016

Biffa Waste Services Limited
Accounting policies for the 52 weeks ended 27 March 2015

1. General information

Biffa Waste Services Limited (the Company) is a limited company incorporated in the United Kingdom under the Companies Act 2006. The parent company of the smallest group to consolidate these financial statements is Biffa Group Holdings Limited. Its parent and ultimate holding company is Wasteholdco 1 Limited, a limited company registered in Jersey. The shares of Wasteholdco 1 Limited are held by a number of shareholders, the principal shareholders are GL Europe Luxembourg SARL, European Credit Opportunities Platform BV and Sankaty European Investments SARL. Copies of Wasteholdco 1 Limited consolidated financial statements can be obtained from the Company Secretary at 44 Esplanade, St Helier, JE4 9WG.

The nature of the company's operations and its principal activities are set out in the strategic report.

2. Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

2.1 Basis of preparation

(a) Statement of compliance

The company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. Accordingly, in the 52 weeks ended 27 March 2015 the company has changed its accounting framework from UK GAAP to FRS 101 as issued by the Financial Reporting Council and has, in doing so, applied the requirements of IFRS 1.6-33 and related appendices. These financial statements were prepared in accordance with FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework' as issued by the Financial Reporting Council.

As permitted by FRS 101, exemptions from applying the following requirements have been adopted:

- a) IFRS 7 'Financial Instruments: Disclosures';
- b) IAS 1 'Presentation of Financial Statements' paragraphs 10(d), 10(f), 38 (requirement to present comparative information), 39(c) and 134-136;
- c) IAS 16 'Property, Plant and Equipment' paragraph 73(e)
- d) IAS 7 'Statement of Cash Flows';
- e) IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' paragraphs 30 and 31;
- f) IAS 24 'Related Party Disclosures' paragraph 17, and the Company has also taken advantage of the exemption from the requirements in IAS 24 'Related Party Disclosures' to disclose related party transactions entered into between two or more members of the Biffa Group Limited
- g) IAS 36 'Impairment of Assets' paragraphs 134(d)-(f) and 135(c)-(e)

The Company has early adopted the amendments made to FRS 101 'Reduced Disclosure Framework' in July 2015 and has not presented notes to the financial statements for the 52 weeks ended 29 March 2013.

The prior year financial statements were restated for material adjustments on adoption of FRS 101 in the current year. See note 22 for details.

(b) Measurement

The financial statements have been prepared on the historical cost basis.

Biffa Waste Services Limited
Accounting policies for the 52 weeks ended 27 March 2015 (continued)

(c) Consolidation

The Company has taken advantage of the exemption from preparing consolidated accounts permitted by IAS 27 Consolidated and Separate Financial Statements, because it is a wholly-owned subsidiary of Reclamation and Disposal Limited and part of the Biffa Group Holdings Limited group, which prepares consolidated financial statements that are available from its company secretary. Hence the information provided in these financial statements presents information about the Company as an individual undertaking and not as a group.

(d) Impairment

The carrying amounts of the Company's assets, other than deferred tax assets (see accounting policy (k)), are reviewed at each balance sheet date to determine whether there is any indication of impairment. Non-depreciable assets and goods are assessed annually for impairment. In assessing an asset for impairment, the recoverable amount of the asset or its cash generating unit is estimated. An impairment loss is recognised when the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

Calculation of recoverable amount

The recoverable amount of such assets is the greater of their net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(e) Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Company, liabilities incurred by the Company to the former owners of the acquire and the equity interests issued by the Company in exchange for control of the acquire. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 *Income taxes* and IAS 19 respectively;
- liabilities or equity measurements related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Company entered into to replace share-based payment arrangements of the acquire are measured in accordance with IFRS 2 at the acquisition date
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard

Biffa Waste Services Limited
Accounting policies for the 52 weeks ended 27 March 2015 (continued)

(e) Business combinations

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition date amounts of the identifiable assets and acquired and the liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

When the consideration transferred by the Company in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

(f) Revenue recognition

Revenue represents the income receivable excluding value added tax, trade discounts and intercompany sales, in the ordinary course of business for goods and services provided. Revenue is measured at the fair value of consideration received.

Revenue is recognised at the point when service has been performed. Within the Industrial and Commercial division this will be on completion of each container lift and on sale of recyclable materials, or in accordance with the contract bill of quantities with respect to Municipal contracts.

Revenue is recognised on receipt of waste and on sale of recyclable materials in the Energy and Landfill and Treatment divisions, and on the measured supply of power in the Energy part of the Energy division.

Revenue is not recognised until the services have been provided to the customer. Interest income is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable.

Landfill tax is included within both revenue and cost of sales.

Biffa Waste Services Limited
Accounting policies for the 52 weeks ended 27 March 2015 (continued)

(g) Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on borrowing costs.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(h) Government grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

(i) Pension costs

The Company contributes to a defined contribution scheme, the Biffa Works Pension Scheme, in respect of certain employees. For this scheme, the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contribution payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

The Company participates in a group defined benefit scheme which is the legal responsibility of the parent as the sponsoring employer.

(j) Exceptional items

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

Biffa Waste Services Limited
Accounting policies for the 52 weeks ended 27 March 2015 (continued)

(k) Taxation

Income tax on the profit or loss for the period comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

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

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; those arising on the initial recognition of assets or liabilities that affect neither accounting nor taxable profit; and differences relating to retained earnings in subsidiaries, to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

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

(l) Property, plant and equipment

Landfill sites are recorded at cost less accumulated depreciation and accumulated impairment losses. The cost of landfill sites includes the cost of acquiring, developing and engineering sites but not interest costs. Property, plant and equipment is stated at cost accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual value over their useful economic lives. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

In the year depreciation was recognised so as to write off the assets on the below basis:

- Buildings – length of lease straight line method
- Plant, vehicles and equipment – 4-15 years straight line method (extended from 4 - 11 years)

Where the obligation to restore a landfill site is an integral part of its future economic benefits, a non-current asset within property, plant and equipment is recognised. The asset recognised is depreciated based on energy production.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Biffa Waste Services Limited
Accounting policies for the 52 weeks ended 27 March 2015 (continued)

(m) Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the criteria listed above. When no internally generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred. Expenditure on research activities is recognised as an expense in the period in which it is incurred.

Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses on the same basis as intangible assets that are acquired separately.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

(n) Stocks

Stocks are stated at the lower of cost and net realisable value. Costs of stocks are determined on a first-in-first-out basis. Net realisable value represents the estimated selling price for costs less estimated costs of completion and costs necessary to make the sale.

(o) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). The effects of inflation and unwinding of the discount element on existing provisions are reflected in the financial statements as a finance charge.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Biffa Waste Services Limited
Accounting policies for the 52 weeks ended 27 March 2015 (continued)

(o) Provisions (continued)

Provision for the cost of reinstating landfill sites and environmental costs are made as the obligation to reinstate the site arises. Costs are charged to the profit or loss over the operational life on the basis of the usage of void space for each landfill site. The reinstatement obligation is typically fulfilled within 2 years of the landfill site being closed to waste.

Provision for aftercare costs are made as the aftercare liability arises. Costs are charged to the profit or loss over the operational life of each landfill site on the basis of usage of void space. Where the obligation to restore a landfill site is an integral part of its future economic benefits, a corresponding non-current asset within property, plant and equipment is recognised. The cost of this asset is recognised over the period of gas generation. Aftercare costs are provided for based on the Directors expectation that the obligation will have been fulfilled 60 years post closure of the site.

(p) Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

(q) Financial instruments

Non-derivative financial instruments

Non derivative financial instruments comprise investments in subsidiary undertakings, and trade and other creditors. Non derivatives are recognised initially at fair value plus any directly attributable transaction costs, except as described below. Subsequent to initial recognition, non-derivative financial instruments are measured as described below.

A financial instrument is recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the Company's contractual rights to the cash flows from the financial assets expire, are extinguished or if the Company transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Regular purchases and sales of financial assets are accounted for at trade date i.e. the date that the Company commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Company's obligations specified in the contracts expire or are discharged or cancelled.

(i) Investments in subsidiary undertakings

Investment in subsidiary undertakings are stated at their cost less impairment losses (see accounting policy (d)).

(ii) Trade and other creditors

Trade and other creditors are stated at their expected settlement amount.

(iii) Trade and other debtors

Trade and other debtors are stated at their cost less impairment losses (see accounting policy (d))

Biffa Waste Services Limited
Accounting policies for the 52 weeks ended 27 March 2015 (continued)

Classification of financial instruments issued by the Company

Financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations of the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- (b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the instrument is classified as a financial liability. Where a financial instrument that contains both equity and financial liability components exists these components are separated and accounted for individually under the above policy. The finance cost on the financial liability component is correspondingly higher over the life of the instrument.

(r) Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

3. Key sources of estimation uncertainty

The preparation of financial statements in conformity with Financial Reporting Standard (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.

Recoverability of internally generated intangible asset

During the year, the Directors considered the recoverability of the Company's internally generated intangible asset arising from IT development.

The project continues to progress in a satisfactory manner and the Directors continue to anticipate increased economic benefit as a direct result of this project. The Directors will continue to monitor the progression of the project and make adjustments to the carrying value if deemed appropriate.

Biffa Waste Services Limited
Accounting policies for the 52 weeks ended 27 March 2015 (continued)

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the Directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

Useful lives of property, plant and equipment

As described above, the Company reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. During the current year, the Directors determined that the useful lives of certain items of equipment including certain containers and trucks should be extended to reflect more accurately the useful economic life of the assets.

Provisions

Provision for environmental and aftercare costs is made over the economic life of the sites. The Directors use a combination of external third party guidance and judgement and experience to provide for these estimated costs. The Directors estimate that the aftercare obligation in relation to permitted sites will be fulfilled within no greater than 60 years post closure of the site. The present value is impacted by assumptions used on discount rates to determine present value. A change in these assumptions could impact the provision recognised in the statement of financial position in future periods.

Biffa Waste Services Limited
Profit and loss account

52 weeks to 27 March 2015

52 weeks to 28 March 2014

	Ordinary activities before exceptional items £m	Exceptional items £m (note 2)	Total £m	Ordinary activities before exceptional items £m	Exceptional items £m (note 2)	Total £m (restated)(i)
Turnover	1 621.1	-	621.1	582.0	-	582.0
Cost of sales	(497.9)	-	(497.9)	(536.4)	-	(536.4)
Gross profit	123.2	-	123.2	45.6	-	45.6
Distribution costs	(23.0)	-	(23.0)	(13.0)	-	(13.0)
Administrative expenses	(86.2)	(2.8)	(89.0)	(21.0)	(26.3)	(47.3)
Operating profit	1 14.0	(2.8)	11.2	11.6	(26.3)	(14.7)
Interest receivable	3 0.1	-	0.1	0.2	-	0.2
Interest payable	3 (6.9)	-	(6.9)	(6.8)	-	(6.8)
Profit/(loss) before taxation	4 7.2	(2.8)	4.4	5.0	(26.3)	(21.3)
Taxation on profit on ordinary activities	7 3.3	-	3.3	(8.3)	-	(8.3)
Profit/(loss) for the period	10.5	(2.8)	7.7	(3.3)	(26.3)	(29.6)

(i) See note 9

All activities derive from continuing operations.

The Company has no other income other than the profit/(loss) above and therefore no statement of total recognised gains and losses has been presented.

Biffa Waste Services Limited
Balance sheet

		As at 27 March 2015 £m	As at 28 March 2014 £m (restated)(i)
Assets			
Non-current assets			
Goodwill	10	10.3	10.3
Intangible assets	11	7.1	4.4
Tangible assets	12	237.3	224.3
Investments		0.7	0.7
		<u>255.4</u>	<u>239.7</u>
Current assets			
Stocks	14	3.8	3.6
Debtors	15	511.9	425.7
Cash at bank and in hand		69.5	52.6
		<u>585.2</u>	<u>481.9</u>
Creditors			
Amounts falling due within one year	17	(328.6)	(236.6)
		<u>256.6</u>	<u>245.3</u>
Net current assets			
		<u>256.6</u>	<u>245.3</u>
Creditors			
Amounts falling due after one year	17	(32.2)	(25.3)
Provisions for liabilities	18	(64.7)	(52.3)
		<u>415.1</u>	<u>407.4</u>
Net assets			
		<u>415.1</u>	<u>407.4</u>
Capital and reserves			
Called up share capital	19	503.7	503.7
Revaluation reserve	21	0.5	0.5
Profit and loss account	20	(89.1)	(96.8)
Total shareholder's funds		<u>415.1</u>	<u>407.4</u>

(i) See note 9

The financial statements of Biffa Waste Services Limited, registered number 0946107 were approved by the Board of Directors and authorised for issue on 21 March 2016. They were signed on its behalf by

Ian Wakelin, Director



Biffa Waste Services Limited
Statement of changes in equity as at 27 March 2015

	Share Capital	Revaluation reserve	Profit and loss account	Total
	£m	£m	£m	£m
At 29 March 2013	503.7	0.5	(67.2)	437.0
Loss for the period	-	-	(29.6)	(29.6)
At 28 March 2014	<u>503.7</u>	<u>0.5</u>	<u>(96.8)</u>	<u>407.4</u>
Profit for the period	-	-	7.7	7.7
At 27 March 2015	<u>503.7</u>	<u>0.5</u>	<u>(89.1)</u>	<u>415.1</u>

Biffa Waste Services Limited
Notes to the financial statements for the 52 weeks ended 27 March 2015

1. Turnover and profit/(loss) on ordinary activities before taxation

The Company's turnover and loss on ordinary activities before taxation is derived entirely from the collection, transportation, processing and disposal of industrial, commercial and domestic waste within the United Kingdom.

2. Exceptional items

	52 weeks to 27 March 2015 £m	52 weeks to 28 March 2014 £m
Administration expenses:		
Restructuring costs (i)	2.8	11.4
Asset impairments (ii)	-	14.9
	<u>2.8</u>	<u>26.3</u>

(i) Restructuring costs largely relate to plant closure costs.

(ii) Asset impairments in the prior year includes £5.6 million asset impairments, £0.2million accelerated depreciation in relation to two landfill sites and provisions of £9.0 million including reinstatement provisions of £3.8 million.

3. Interest payable and receivable

	52 weeks to 27 March 2015 £m	52 weeks to 28 March 2014 £m (restated)
Interest payable		
Interest on obligations under finance leases	4.0	2.7
Interest unwind on discounted provisions	1.2	2.4
Other interest payable	1.7	1.7
Finance charges	<u>6.9</u>	<u>6.8</u>
Interest receivable on bank balances	<u>(0.1)</u>	<u>(0.2)</u>
Net finance charges	<u>6.8</u>	<u>6.6</u>

Biffa Waste Services Limited
Notes to the financial statements for the 52 weeks ended 27 March 2015 (continued)

4. Profit/(loss) before taxation

	52 weeks to 27 March 2015 £m	52 weeks to 28 March 2014 £m (restated)
The following items have been included in arriving at the loss		
Depreciation of tangible fixed assets		
- owned assets	32.8	43.0
- assets held under finance leases	11.2	10.3
Amortisation of goodwill and intangible assets	0.4	0.2
Operating lease charges:		
- plant and machinery	12.1	9.8
- other	8.4	7.6
Exceptional items (note 2)	2.8	26.3

5. Auditors remuneration

Statutory audit fees of £100,000 (2014: £100,000) were paid in the year. Total auditor's remuneration of £345,000 (2014: £361,000) was charged in respect of the audit of the Wasteholdco 1 Limited Group all of which is borne by Biffa Waste Services Limited. In addition, Biffa Waste Services Limited paid non-audit fees on behalf of the Group as follows:

	52 weeks to 27 March 2015 £'000	52 weeks to 28 March 2014 £'000
Taxation compliance services	-	9.0
Taxation advisory services	-	9.0
Other non-audit fees	390.0	427.0
Total non-audit fees	390.0	445.0

Non-audit fees in the 52 weeks to 27 March 2015 relate to restructuring services and taxation services in relation to potential future operations in Mexico. Non-audit fees in the 52 weeks to 28 March 2014 relate to corporate finance services in relation to the Shanks acquisition and

Biffa Waste Services Limited
Notes to the financial statements for the 52 weeks ended 27 March 2015 (continued)

6. Staff costs

The average monthly number of persons (including Executive Directors) employed by the Company during the period was:

	52 weeks to 27 March 2015 Number	52 weeks to 28 March 2014 Number
Administration and operatives	<u>4,425</u>	<u>4,856</u>

	52 weeks to 27 March 2015 £m	52 weeks to 28 March 2014 £m
Their aggregate remuneration comprised		
Wages and salaries	133.2	127.0
Social security costs	11.2	10.5
Other pension costs	4.7	6.8
	<u>149.1</u>	<u>144.3</u>

Directors' remuneration

	£m	£m
Aggregate emoluments	<u>1.8</u>	<u>1.4</u>

Remuneration of highest paid Director

	£m	£m
Aggregate emoluments	<u>1.1</u>	<u>1.0</u>

No directors (2014: nil) became entitled to receive shares under long-term incentive schemes during the year. Retirement benefits are accruing to two directors (2014: two) under money purchase or defined benefit pensions schemes.

There were no transactions with Directors in the year (2014: £nil).

Biffa Waste Services Limited
Notes to the financial statements for the 52 weeks ended 27 March 2015 (continued)

7. Income tax recognised in profit or loss

	52 weeks to 27 March 2015 £m	52 weeks to 28 March 2014 £m (restated)
Current tax		
In respect of the current year	-	-
Adjustment in respect of prior years	-	2.0
		2.0
Deferred tax		
Adjustment in respect of the current year	(3.5)	(1.4)
Adjustment in respect of the prior year	-	(1.3)
Adjustment attributable to changes in tax rates and laws	0.2	9.0
	(3.3)	6.3
Total tax (credit)/charge	(3.3)	8.3

Corporation tax is calculated at 21% (2014: 23%) of the estimated assessable loss for the period. The credit for the period can be reconciled to the loss per the consolidated statement of profit or loss and other comprehensive income as follows:

	52 weeks to 27 March 2015 £m	52 weeks to 28 March 2014 £m
Profit/(loss) on ordinary activities before tax	4.3	(21.3)
Profit/(loss) on ordinary activities multiplied by the standard corporation tax in UK of 21% (2014: 23%)	0.9	(4.9)
Effects of:		
Expenses not deductible for tax purposes	1.6	4.5
Non-taxable income	(0.2)	(0.2)
Effect of change in rate	0.2	9.0
Recognition of losses previously unprovided for	(2.3)	
Adjustments to tax charge in respect of prior periods		0.7
Group relief	(3.5)	(1.6)
Unprovided tax losses carried forward		0.8
Total taxation (credit)/charge	(3.3)	8.3

Legislation enacted in the previous year reduced the UK corporation tax rate from 21% to 20% from 1 April 2015. Accordingly, current tax has been provided for at a rate of 21% and deferred tax has been provided for at a rate of 20%.

Biffa Waste Services Limited
Notes to the financial statements for the 52 weeks ended 27 March 2015 (continued)

8. Acquisitions

On 31 December 2013, Biffa Waste Services Limited, a 100% owned subsidiary of the Company, acquired the business and assets of the solid waste collection business owned by Shanks Waste Management Limited. On 28 February 2014, Biffa Waste Services Limited acquired the business and assets of the commercial waste collection business known as 'PHS Wastetech' carried on by All Clear, a division of PHS Group Limited.

At 28 March 2014 the initial accounting was incomplete and as such the assets and liabilities were measured at a provisional fair value based on the information known at the 28 March 2014. The Directors have reconsidered the fair value of the assets acquired on the basis of new information obtained about facts and circumstances that were in existence at the acquisition date. This has resulted in fair value adjustments of £1.1 million.

	Provisional fair value £m	Fair value adjustments £m	Fair value £m
Net assets acquired were:			
Property, plant and equipment	5.1	10.9	16.0
Finance lease creditors	-	(11.1)	(11.1)
Provisions	(2.3)	(1.3)	(3.6)
Net assets acquired	2.8	(1.5)	1.3
Goodwill	9.2	1.1	10.3
Total consideration	12.0	(0.4)	11.6
Satisfied by			
Cash	12.0	(0.4)	11.6

The goodwill of £10.3 million arising from the acquisition represents future opportunities in the UK integrated waste management sector.

Biffa Waste Services Limited
Notes to the financial statements for the 52 weeks ended 27 March 2015 (continued)

9. Prior year restatement

This is the first year that the Company has presented its financial statements under FRS101 (Financial Reporting Standard 101) issued by the Financial Reporting Council. The following disclosures are required in the year of transition. The last financial statements under a previous GAAP were for the year ended 28 March 2014 and the date of transition to FRS 101 was therefore 29 March 2014.

In addition to the transition to FRS 101, a review of all leases in the year identified a number of leases which had been incorrectly classified as operating leases in prior periods. This has resulted in a retrospective restatement for the impact of the misstatement as detailed below. A new system of controls has been implemented to ensure that all leases are accurately recorded going forward. The Directors consider that the restatement provides a fairer presentation and view of the result and of the financial position of the Company. The comparative figures in the primary statements and the notes to the financial statements have been restated to reflect the appropriate treatment. The effects of the restatement as a result of the lease adjustment are detailed below:

The combined impact of the transition to FRS 101 and the leases restatement is:

	52 week to 28 March 2014 £m	Impact of leases restatement £m	Acquisition accounting £m	Deferred tax movement £m	Reclassification	Goodwill impairment £m	52 weeks to 28 March 2014 £m (restated)
Profit and loss							
Operating costs	(69.2)	1.6	(0.2)	-	-	7.1	(60.5)
Interest charges	(4.7)	(2.1)	-	-	-	-	(6.8)
Taxation	(6.4)	-	-	(1.9)	-	-	(8.3)
Profit after taxation	(34.5)	(0.5)	(0.2)	(1.9)	-	7.1	(29.6)
Balance sheet							
Intangible assets	81.5	-	0.5	-	-	(71.7)	10.3
Tangible assets	196.1	28.2	-	-	-	-	224.3
Debtors	390.9	-	-	-	(25.7)	-	365.2
Deferred tax	47.8	-	-	12.7	-	-	60.5
Creditors due in less than one year	(246.8)	(10.2)	-	-	20.4	-	(236.6)
Creditors due in more than one year	(5.5)	(19.8)	-	-	-	-	(25.3)
Provisions	(48.7)	-	(0.3)	-	(3.3)	-	(52.3)
Revaluation reserve	0.6	-	-	-	(0.1)	-	0.5
Profit and loss account brought forward	4.0	2.1	-	14.6	(8.7)	(78.8)	(67.2)
Profit/(loss) for the year	(34.5)	(0.5)	(0.2)	(1.9)	-	7.1	(29.6)
Profit and loss account	(30.5)	1.6	(0.2)	12.7	(8.7)	(71.7)	(96.8)

Biffa Waste Services Limited
Notes to the financial statements for the 52 weeks ended 27 March 2015 (continued)

9. Prior year restatement (continued)

A review of goodwill that had historically been amortised at a rate of £7.0m per financial year was undertaken; this resulted in impairment to goodwill of £71.7 million. This has been reflected in the opening balance under FRS 101 as per note 10. A number of balances have been reclassified for the purpose of presentation.

10. Goodwill

	Total £m
Cost:	
At 29 March 2013	139.2
Additions (restated) (note 8)	10.3
Disposals	-
At 28 March 2014	<u>149.5</u>
Additions	-
Disposals	-
At 27 March 2015	<u><u>149.5</u></u>
Amortisation:	
At 29 March 2013	139.2
At 28 March 2014	<u>139.2</u>
At 27 March 2015	<u><u>139.2</u></u>
Net book amount at 27 March 2015	<u><u>10.3</u></u>
Net book amount at 28 March 2014	<u><u>10.3</u></u>

The Directors have reviewed the value of the goodwill at the year end and no impairment has been deemed necessary. The restatement of the goodwill arising on the prior year acquisitions is detailed in note 8.

Biffa Waste Services Limited
Notes to the financial statements for the 52 weeks ended 27 March 2015 (continued)

11. Intangible assets

	IT development	Pre-contract costs	Total
	£m	£m	£m
Cost:			
At 29 March 2013	-	5.5	5.5
Additions	-	-	-
Disposals	-	(0.1)	(0.1)
At 28 March 2014	-	5.4	5.4
Additions	1.6	0.5	2.1
Reclassification	1.0	-	1.0
Disposals	-	-	-
At 27 March 2015	<u>2.6</u>	<u>5.9</u>	<u>8.5</u>
Accumulated			
At 29 March 2013	-	0.9	0.9
Charge for the period	-	0.2	0.2
On disposals	-	(0.1)	(0.1)
At 28 March 2014	-	1.0	1.0
Charge for the period	0.2	0.2	0.4
Disposals	-	-	-
At 27 March 2015	<u>0.2</u>	<u>1.2</u>	<u>1.4</u>
Net book amount:			
At 27 March 2015	<u>2.4</u>	<u>4.7</u>	<u>7.1</u>
At 28 March 2014	<u>-</u>	<u>4.4</u>	<u>4.4</u>

All amortisation charges are recognised in profit or loss.

Development costs have been capitalised in accordance with the measurement and recognition bases of IAS 38 Intangible Assets. The costs relate to the development of IT infrastructure and processes.

The following useful lives have been applied to the intangible assets during the period:

Customer contracts	3-20 years
IT development	3-5 years

Biffa Waste Services Limited
Notes to the financial statements for the 52 weeks ended 27 March 2015 (continued)

12. Tangible assets

	Land & Buildings £m	Landfill sites £m	Plant and equipment £m	Total £m
Cost:				
At 29 March 2013 <i>(restated)</i>	100.8	221.3	508.5	830.6
Additions	1.7	4.3	31.0	37.0
Disposals	(0.3)	-	(10.9)	(11.2)
Asset impairment	(3.7)	(2.1)	-	(5.8)
At 28 March 2014 <i>(restated)</i>	98.5	223.5	528.6	850.6
Additions	4.2	10.4	41.9	56.5
Disposals	(0.7)	-	(25.4)	(26.1)
Reclassifications	0.7	0.2	(0.2)	(0.7)
At 27 March 2015	102.7	234.1	544.9	881.7
Accumulated amortisation:				
At 29 March 2013 <i>(restated)</i>	40.2	209.3	334.2	583.7
Charge for the period <i>(restated)</i>	6.2	4.7	42.5	53.4
Disposals	(0.3)	-	(10.5)	(10.8)
At 28 March 2014 <i>(restated)</i>	46.1	214.0	366.2	626.3
Charge for the period	3.8	5.5	34.7	44.0
Disposals	(0.3)	-	(24.6)	(24.9)
Reclassifications	-	(0.1)	(0.9)	(1.0)
At 27 March 2015	49.6	219.4	375.4	644.4
Net book amount:				
At 27 March 2015	53.1	14.7	169.5	237.3
At 28 March 2014	52.4	9.5	162.4	224.3

Landfill assets includes £2.3 million in relation to future economic benefit to be derived as a result of actively fulfilling aftercare obligations that results in gas generation.

Biffa Waste Services Limited
Notes to the financial statements for the 52 weeks ended 27 March 2015 (continued)

12. Tangible assets (continued)

The net book amount of tangible fixed assets includes £46.7 million (2014: £35.0 million) in respect of assets held under finance leases.

Land and buildings and landfill sites at net book amount comprise:

	As at 27 March 2015		As at 28 March 2014	
	Land and buildings £m	Landfill sites £m	Land and buildings £m	Landfill sites £m
Freehold	32.5	13.8	31.5	8.5
Long leasehold	10.6	0.9	10.3	1.0
Short leasehold	10.0	-	10.6	-
	<u>53.1</u>	<u>14.7</u>	<u>52.4</u>	<u>9.5</u>

At 27 March 2015 the Company had entered into contractual commitments for the acquisition of plant, property and equipment amounting to £2.4 million (2014: £2.0 million).

13. Subsidiaries

All subsidiary undertakings have a financial year ended coterminous with Biffa Waste Services Limited unless otherwise noted.

Subsidiary	Place of incorporation	Activity	Shareholding
Biogeneration Limited*	England and Wales	Dormant	100%
Biffa Pension Scheme Trustees Limited*	England and Wales	Dormant	100%

Biffa Waste Services Limited
Notes to the financial statements for the 52 weeks ended 27 March 2015 (continued)

14. Stocks

	As at 27 March 2015 £m	As at 28 March 2014 £m
Raw materials and consumables	<u>3.8</u>	<u>3.6</u>

15. Debtors

	As at 27 March 2015 £m	As at 28 March 2014 £m
Amounts falling due within one year		
Trade debtors	85.3	83.4
Amounts due by group undertakings (i)	312.8	235.2
Other debtors	5.2	4.0
Deferred tax (note 16)	63.9	60.5
Prepayments and accrued income	44.7	42.6
	<u>511.9</u>	<u>425.7</u>

(i) Amounts owed by group undertakings are unsecured, interest free and have no fixed date of repayment.

16. Deferred tax asset

	Provided		Unprovided	
	2015 £m	2014 £m	2015 £m	2014 £m
Fixed asset timing differences	46.4	43.2	-	-
Other timing differences	17.5	17.3	-	5.0
	<u>63.9</u>	<u>60.5</u>	<u>-</u>	<u>5.0</u>

Biffa Waste Services Limited
Notes to the financial statements for the 52 weeks ended 27 March 2015 (continued)

16. Deferred tax asset (continued)

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

	Fixed asset timing differences £m	Other timing differences £m	Total £m
At 28 March 2014	43.2	17.3	60.5
Recognised in profit and loss (note 8)	3.2	0.2	3.4
Recognised in other recognised gains and losses	-	-	-
At 27 March 2015	<u>46.4</u>	<u>17.5</u>	<u>63.9</u>

At 27 March 2015 and 28 March 2014 there were no unrecognised deferred tax assets.

Legislation reducing the main rate of corporation tax from 21% to 20% was effective from 1 April 2015. Accordingly, current tax has been provided at a rate of 21% and deferred tax has been provided for at a rate of 20%. The Government has announced a future reduction in the main tax rate of 2% down to 18% by 1 April 2020. Whilst this has not yet been substantively enacted, the Director estimates that the future rate change to 18% would further reduce the deferred tax asset. The actual impact will be dependent on the deferred tax position at the time.

17. Creditors – amounts falling due within one year

	As at 27 March 2015 £m	As at 28 March 2014 £m (restated)
Current		
Trade creditors	64.2	52.3
Amounts owed to group undertakings (i)	132.7	46.9
Obligations under finance leases and hire purchase contracts	12.5	11.0
Taxation and social security	40.1	47.1
Accruals and deferred income	79.1	79.3
	<u>328.6</u>	<u>236.6</u>
Creditors – amounts falling due after one year		
Obligations under finance leases and hire purchase contracts	<u>32.2</u>	<u>25.3</u>

(i) Amounts owed to group undertakings are unsecured, interest free and have no fixed date of repayment.

Biffa Waste Services Limited
Notes to the financial statements for the 52 weeks ended 27 March 2015 (continued)

17. Creditors – amounts falling due within one year (continued)

The minimum lease payments under finance leases fall due as follows:

	As at 27 March 2015 £m	As at 28 March 2014 £m (restated)
Within one year	12.5	11.0
1 year to 2 years	10.7	9.3
2 years to 5 years	16.1	14.4
More than five years	5.4	1.6
	<u>44.7</u>	<u>36.3</u>

It is the Company's policy to lease certain of its fixtures and equipment under finance leases. The Company leases a number of assets which are then subsequently used by fellow subsidiaries of the Biffa Group. The Company charges the fellow subsidiaries for use of those assets.

18. Provisions

	Land reinstatement & environmental £m	Insurance £m	Other £m	Total £m
At 29 March 2013 (restated)	36.0	2.3	5.3	43.6
Utilised	(11.7)	-	(4.4)	(16.1)
Charged to profit and loss	6.8	0.8	9.6	17.2
Discount elimination	1.4	-	-	1.4
Transfers from fixed/other assets	2.4	(2.1)	5.9	6.2
At 28 March 2014 (restated)	<u>34.9</u>	<u>1.0</u>	<u>16.4</u>	<u>52.3</u>
Utilised	(8.2)	-	(3.6)	(11.8)
Charged to profit and loss	11.9	-	(1.1)	10.8
Discount elimination	1.2	-	-	1.2
Transfers from fixed/other assets	4.5	-	7.7	12.2
At 27 March 2015	<u>44.3</u>	<u>1.0</u>	<u>19.4</u>	<u>64.7</u>

Biffa Waste Services Limited
Notes to the financial statements for the 52 weeks ended 27 March 2015 (continued)

18. Provisions (continued)

Provisions have been analysed between current and non-current as follows:

	As at 27 March 2015 £m	As at 28 March 2014 £m
Current	16.6	14.2
Non-current	48.1	38.1
	<u>64.7</u>	<u>52.3</u>

Land reinstatement and environmental

As part of its normal activities, the Biffa Company undertakes to reinstate its landfill sites and to maintain the sites and control leachate and methane emissions from the sites. Provision is made for these anticipated costs. Reinstatement costs are incurred as each site is filled, and in the period immediately after its closure.

Maintenance and leachate and methane control costs are incurred as each site is filled and for a number of years post closure. Long-term aftercare provisions included in Landfill reinstatement and environmental provisions have been discounted at a rate of 3.47% (2014: 4.4%).

Environmental control costs are incurred as each site is filled and for a number of years post closure. This period can vary significantly from site to site, depending upon the types of waste landfilled and the speed at which it decomposes, the way the site is engineered and the regulatory requirements specific to the site.

As at the date of the balance sheet the associated outflows are estimated to arise over a period of up to 60 years depending on the date of each site closure.

Insurance

The associated outflows are estimated to arise over a period of up to five years from the balance sheet date.

Other

Other provisions include onerous contract and dilapidations provisions.

19. Called up share capital

	As at 27 March 2015 £m	As at 28 March 2014 £m
Authorised, allotted, called up and fully paid: 503,660,000 (2014: 503,660,000) Ordinary £1 shares	<u>503.7</u>	<u>503.7</u>

Biffa Waste Services Limited
Notes to the financial statements for the 52 weeks ended 27 March 2015 (continued)

20. Retained deficit

	As at 27 March 2015 £m	As at 28 March 2014 £m (restated)
Retained deficit at the end of the period	(96.8)	(67.2)
Profit/(loss) for the period	7.7	(29.6)
Retained deficit at the end of the period	<u>(89.1)</u>	<u>(96.8)</u>

21. Revaluation reserve

	As at 27 March 2015 £m	As at 28 March 2014 £m
Revaluation reserve at the end of the period	<u>0.5</u>	<u>0.5</u>

22. Financial commitments and contingent liabilities

At the balance sheet date the Biffa Company has outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	27 March 2015		28 March 2014	
	Land and buildings £m	Other £m	Land and buildings £m	Other £m (restated)
Within one year	9.2	1.8	11.5	0.2
Between one and five years	27.5	0.4	38.3	2.2
After five years	75.6	-	90.2	-
	<u>112.4</u>	<u>2.2</u>	<u>140.0</u>	<u>2.4</u>

The Company leases various offices and operational facilities under non-cancellable operating lease agreements. The leases have various terms, escalation clauses and renewal rights.

Biffa Waste Services Limited

Notes to the financial statements for the 52 weeks ended 27 March 2015 (continued)

The Company must satisfy the financial security requirements of environmental agencies in order to ensure that it is able to discharge the obligations in the licences or permits that the Company holds for its landfill sites. The Company satisfies these financial security requirements by providing financial security bonds. The amount of financial security which is required is determined in conjunction with the regulatory agencies, as is the method by which assurance is provided. The Company has existing bond arrangements in England and Wales of approximately £83.2 million outstanding at 27 March 2015 (2014: £91.9 million) in respect of the Company's permitted landfill activities where the Company has obligations under the Environment Agency's "fit and proper person" test to make adequate financial provision in order to undertake those activities and a further £9.1 million (2014: £7.7 million) of bonds relating to permits to export refuse derived fuel, and in connection with security for performance of local authority contracts. No liability is expected to arise in respect of either bonds or guarantees.

The Company is engaged in a dispute with HMRC in relation to the landfill tax treatment of certain materials used in the engineering of landfill sites. At the date of the signing of the accounts the outcome is not certain, however the Biffa Company have received a protective assessment of £70 million that the Company is disputing and, having taken independent professional advice, does not reasonably expect a liability of this order to crystallise. Accordingly no provision has been made in these financial statements. The collaborative process and negotiations have now concluded without agreement being reached with HMRC. To be able to continue the dispute with HMRC, the Company has had to refer the case to the Tax Tribunal. At this present time no date has been set for a hearing. On one particular aspect of this assessment the Company has also applied for and obtained permission to pursue Judicial Review. Again, no hearing date has been set.

HMRC has told the Company that such that until the outcome of the Tax Tribunal case is determined, the Company will not be required to pay the assessment. Given the nature of the process, the outcome is unlikely to be determined in the near term. In the event that a payment is required in due course, the Company has the ability to utilise Group cash balances along with uncommitted banking facilities, as well as a number of other general corporate means to fund any payment required.

23. Pension and post retirement benefits

Defined contribution schemes

	52 weeks to 27 March 2015 £m	52 weeks to 28 March 2014 £m
Defined contribution expense	<u>1.2</u>	<u>1.1</u>

Defined benefit schemes

The Biffa Group operates a defined benefit scheme, the Biffa Pension Scheme ("the Scheme"), formerly the UK Waste Pension Scheme, for employees of Biffa Waste Services Limited and Biffa Limited. The scheme offers both pensions in retirement and death benefits to members. Prior to 31st March 2007 there were a number of employees who held benefits in the Severn Trent Pension Scheme and the Severn Trent Senior Staff Pension Scheme. These members joined the Biffa Pension Scheme with effect from 1st April 2007. As at 1st November 2013, the defined benefit section of the Scheme closed to future accrual for the majority of members. Contributions to the Scheme by the Company for the year beginning 28th March 2015 are currently expected to be £3.5 million.

Biffa Waste Services Limited
Notes to the financial statements for the 52 weeks ended 27 March 2015 (continued)

23. Pension and post retirement benefits (continued)

The Scheme is administered by Trustees and the assets are held separately to the legal entity that is the Company. The Trustee board of the Scheme is composed of an independent Trustee, and other employer and member nominated trustees (where the legal minimum proportion of member nominated trustees has been upheld). The Trustees are required by law to act in the best interests of the members of the Scheme. The Trustees are responsible for the investment policy with regard to the assets of the Scheme.

24. Related party transactions

There were no transactions with directors in the year (2014: £nil).

25. Immediate and ultimate parent undertaking

The immediate parent is Biffa Holdings Limited, a limited company registered in England and Wales.

The parent company of the largest group to consolidate these financial statements is Wasteholdco 1 Limited. The shares of Wasteholdco 1 Limited are held by a number of shareholders, and the principal shareholders are GL Europe Luxembourg SARL, European Credit Opportunities Platform BV and Sankaty European Investments SARL. Copies of Wasteholdco 1 Limited consolidated financial statements can be obtained from the Company Secretary at Ogier House, The Esplanade, St Helier, JE4 9WG.