

**BIFFA WASTE LIMITED**  
**FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED**  
**29 MARCH 2013**

**Company Number : 04084432**



**BIFFA WASTE LIMITED**

**REPORT OF THE DIRECTORS**

**FOR THE 52 WEEKS ENDED 29 MARCH 2013**

Directors: K Woodward  
Biffa Corporate Services Limited

Secretary K Woodward

The directors present their report and the audited financial statements of the Company for the 52 weeks ended 29 March 2013 (2012 52 weeks ended 30 March 2012)

**PRINCIPAL ACTIVITY**

Biffa Waste Limited is the holding company of a group whose principal activity is to operate waste collection, landfill and special waste services in the UK.

**REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS**

The Company ceased to be dormant in the current period following an impairment to its investment in Biffa Holdings (Jersey) Limited and its subsidiaries (See note 5)

The Company's investments in subsidiary undertakings are reviewed at each balance sheet date on a subsidiary by subsidiary basis to determine whether there is any indication of impairment. An impairment loss is recognised in profit or loss when the carrying amount exceeds its recoverable amount. The recoverable amount of an investment is the greater of its net selling price and value in use.

As a result of this review the value of the Company's investments in subsidiary undertakings has been impaired during the period as disclosed on the face of the Profit and Loss account

The Company will continue to act as a holding company to the subsidiary companies listed in note 5 to the financial statements for the foreseeable future.

The Biffa Group executed a court approved capital restructuring arrangement, supported by the Biffa Group's, board approved, five year business plan and pursuant to Part 26 of the Companies Act 2006 on 28 January 2013 which completed on 30 January 2013. The result was that the group's total senior and subordinated debt decreased from approximately £1.2 billion as at the date of the scheme of arrangement to £520 million through the issue of new debt instruments with repayment dates ranging between July 2015 and January 2018.

Whilst not immune to the current economic situation, the waste management industry is protected by the ongoing responsibility for businesses and local councils to ensure the proper disposal of commercial and domestic waste.

**BIFFA WASTE LIMITED**  
**REPORT OF THE DIRECTORS (CONTINUED)**  
**FOR THE 52 WEEKS ENDED 29 MARCH 2013**

**REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS (continued)**

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.

The directors have taken advantage of the small companies exemption in preparing the Directors' Report.

**GOING CONCERN**

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.

After considering the above and making enquiries, 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.

However, in line with the prior period, the directors have taken the decision to continue as a non-trading holding company, and as a result the accounts have been prepared on a basis other than that of a going concern. No adjustments arose as a result of ceasing to apply the going concern basis of preparing the financial statements.

**KEY PERFORMANCE INDICATORS**

Key performance indicators in respect of the Biffa Group of companies are shown in the Financial Statements of Wasteholdco 2 Limited for the period to 29 March 2013, which do not form part of the report.

**FINANCIAL RESULTS AND DIVIDENDS**

	52 weeks to 29 March 2013 £000	52 weeks to 30 March 2012 £000
Loss before taxation	(103,968)	-
Loss after taxation	(103,968)	-

The directors are unable to propose a final dividend (2012: £nil). No interim dividends were paid during the period (2012: £nil).

**BIFFA WASTE LIMITED**  
**REPORT OF THE DIRECTORS (CONTINUED)**  
**FOR THE 52 WEEKS ENDED 29 MARCH 2013**

**DIRECTORS**

The directors of the Company at the date of this report are shown on page 1.

No changes took place to the board of directors during the 52 weeks to 29 March 2013 and up until the date of this report

**DIRECTORS' INDEMNITIES**

All of the directors have been granted indemnities by Biffa Group Limited as at 29 March 2013 to the maximum extent permitted by sections 309A and 309B of the Companies Act 2006 (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 is or directors 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.

**POST BALANCE SHEET EVENTS**

There have been no significant post balance sheet events

**BIFFA WASTE LIMITED**  
**REPORT OF THE DIRECTORS (CONTINUED)**  
**FOR THE 52 WEEKS ENDED 29 MARCH 2013**

**DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors are required to prepare the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent; 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 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.

**BIFFA WASTE LIMITED**  
**REPORT OF THE DIRECTORS (CONTINUED)**  
**FOR THE 52 WEEKS ENDED 29 MARCH 2013**

**AUDITOR**

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and Deloitte LLP, Chartered Accountants, 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 is 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



K Woodward  
Secretary

9 December 2013

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF**  
**BIFFA WASTE LIMITED**

We have audited the financial statements of Biffa Waste Limited for the 52 weeks ended 29 March 2013, which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 10. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 Audit 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 Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. 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. 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 29 March 2013 and of its loss for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF**

### **BIFFA WASTE LIMITED (CONTINUED)**

#### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Emphasis of matter – Financial statements prepared on an other than going concern basis

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern.

#### **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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to take advantage of the small companies exemption in preparing the Directors' Report



Ross Howard FCA (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
London, United Kingdom

9 December 2013



**BIFFA WASTE LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE 52 WEEKS ENDED 29 MARCH 2013**

	Notes	52 weeks to 29 March 2013 £000	52 weeks to 30 March 2012 £000
Administration expenses		-	-
Operating loss		-	-
Provision for investment impairment	5	(103,968)	-
Loss on ordinary activities before taxation	3	(103,968)	-
Tax on loss on ordinary activities	4	-	-
Loss for the financial period	8, 9	(103,968)	-

The loss for the financial period is derived from discontinued operations.

The Company has no recognised gains or losses in either the current or prior period other than the loss above and therefore no separate statements of total recognised gains and losses have been presented

**BIFFA WASTE LIMITED****BALANCE SHEET****AS AT 29 MARCH 2013**

	Notes	As at 29 March 2013 £000	As at 30 March 2012 £000
<b>FIXED ASSETS</b>			
Investments	5	276,892	380,860
<b>CURRENT ASSETS</b>			
Cash at bank and in hand		1	1
<b>CREDITORS</b>			
Amounts falling due within one year	6	(135,079)	(135,079)
<b>NET CURRENT LIABILITIES</b>		(135,078)	(135,078)
<b>CREDITORS</b>			
Amounts falling due after one year	6	(240,294)	(240,294)
<b>NET (LIABILITIES)/ASSETS</b>		(98,480)	5,488
<b>CAPITAL AND RESERVES</b>			
Called up share capital	7	1,501	1,501
Share premium account	7	148,500	148,500
Profit and loss account	8	(248,481)	(144,513)
<b>SHAREHOLDER'S (DEFICIT)/FUNDS</b>	9	(98,480)	5,488

The financial statements of Biffa Waste Limited, registered number 04084432, on pages 8 to 16 were approved and authorised for issue by the Board on 9 December 2013 and signed on its behalf by



K Woodward  
Director

**BIFFA WASTE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE 52 WEEKS ENDED 29 MARCH 2013**

**1 ACCOUNTING POLICIES**

**a) Basis of accounting**

As detailed in the Directors' Report, these financial statements are prepared on a basis other than that of a going concern, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. Accounting policies have been applied consistently in the current and prior year. The principal accounting policies are set out below.

**b) Going Concern**

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Business Review on page 1.

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.

After considering the above and making enquiries, 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.

However, in line with the prior period, the directors have taken the decision to continue as a non-trading holding company, as a result the accounts have been prepared on a basis other than that of a going concern. No adjustments arose as a result of ceasing to apply the going concern basis of preparing the financial statements.

**c) Consolidation**

The Company has taken advantage of the exemption from preparing consolidated accounts permitted by S401 of the Companies Act 2006 because it is a wholly-owned subsidiary of Biffa Corporate Holdings Limited and part of the Wasteholdco 2 Limited group, which prepares consolidated accounts 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) Investments**

Investments held as fixed assets are stated at cost less any provision for impairment.

**BIFFA WASTE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE 52 WEEKS ENDED 29 MARCH 2013**

**1 ACCOUNTING POLICIES (continued)**

**e) Taxation**

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date

**2 CASH FLOW STATEMENT AND RELATED PARTY DISCLOSURES**

The Company is a wholly owned subsidiary of Biffa Corporate Holdings Limited and is included in the consolidated financial statements of Wasteholdco 2 Limited, which are available from its company secretary. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (revised 1996). The Company is also exempt under the terms of Financial Reporting Standard 8 from disclosing related party transactions with entities that are part of the Wasteholdco 2 Limited group of companies.

**3 LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION**

The Company had no employees during the year other than the directors. Directors' emoluments during both years were paid by other group undertakings and no amounts were allocated to the Company. There were no statutory or non-audit fees (2012: £nil).

**BIFFA WASTE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE 52 WEEKS ENDED 29 MARCH 2013**

**4 TAXATION ON LOSS ON ORDINARY ACTIVITIES**

There is no taxation on ordinary activities for both the current and prior period. The impairment charge is non taxable

**5 FIXED ASSET INVESTMENTS**

	£000
Investment in subsidiaries at cost and net book value	
As at 30 March 2012	380,860
Impairment provision	(103,968)
As at 29 March 2013	<u>276,892</u>

Biffa Waste Limited directly or indirectly owns 100% of the ordinary shares of the following companies that are registered and operate in England and Wales, except where indicated

- a) Companies that traded during the year, the principal activity of each being an intermediate holding company

Biffa Holdings (Jersey) Limited *	Registered in Jersey
Biffa UK Group Limited	Dormant
Biffa UK Limited	Dormant
Biffa (UK) Holdings Limited	
UK Waste Management Holdings Limited	

Companies that traded during the year, the principal activity of each being operating waste management services:

UK Waste Management Limited  
Biffa Waste Management Limited

**BIFFA WASTE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE 52 WEEKS ENDED 29 MARCH 2013**

**5 FIXED ASSET INVESTMENTS (CONTINUED)**

a) Non trading companies

A Smith & Sons (Waste Disposal) Limited	
Clarfield Recycling Limited	
Waste Gas To Energy Limited	
First Waste Limited	Registered in Guernsey
Interport Paper Company Limited	
Rent-A-Weld (Wirral) Limited	
Westley Trading Limited	
Megastock Limited	
Photodigit Limited	
Tyneside Waste Paper Company Limited	
Practical Recycling Systems Limited	
R A Johnson (Haulage) Limited	
SCS Contractors Limited	
Loristan Services Limited	
Pilmuir Waste Disposal Limited	
W R Pollard & Son Limited	
Waterblast Limited	
B Holmes Graded Papers Limited	
Biffa (Land) Limited (99.972% held)	Registered in Guernsey
Biffa Operations Ireland Limited	Registered in Ireland
Norwaste Limited	
Waste Clearance (Holdings) Limited	
Biffa (Rock Common) Limited	
Biffa (Roxby) Limited	

**BIFFA WASTE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE 52 WEEKS ENDED 29 MARCH 2013**

**5 FIXED ASSET INVESTMENTS (CONTINUED)**

The Company is not required to prepare consolidated financial statements in accordance with S408 of the Companies Act 2006, because its results are included in the consolidated financial statements of Wasteholdco 2 Limited

In the directors' opinion the value of the investments in subsidiary undertakings shown above is not less than the aggregate amount at which they are stated in the financial statements

The Company's investments in subsidiary undertakings are reviewed at each balance sheet date on a subsidiary by subsidiary basis to determine whether there is any indication of impairment. An impairment loss is recognised in profit or loss when the carrying amount exceeds its recoverable amount. The recoverable amount of an investment is the greater of its net realisable price and value in use.

In calculating the recoverable amount of investments in subsidiary undertakings at 29 March 2013 the Company has determined their recoverable amount to be the higher of the aggregate net assets/(liabilities) of their subsidiaries or their value in use

The value-in-use of each trading subsidiary has been assessed using the estimated future cash flows of the subsidiary 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 investment. Cash flow projections for each subsidiary have been prepared based on financial budgets approved by management covering a five year period. This is based on the Groups' Board of directors approved forecast for the financial period ended March 2014 and a financial projection for the following 4 years. Cash flows beyond the five year period are extrapolated using a constant rate of growth of up to 3.0%. Gross margin forecasts are based on past performance and its expectations for the market development. The weighted average growth rate used is consistent with the forecasts included in industry reports. The pre-tax discount rate used is 9.46% as calculated using the Capital Asset Pricing model.

An impairment review in accordance with the approach and assumptions outlined 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 has been impaired by £103,967,932 during the period as disclosed on the face of the Profit and Loss account. The impairment charge is non-taxable.

**BIFFA WASTE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE 52 WEEKS ENDED 29 MARCH 2013**

**6 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

Amounts falling due within one year	As at 29 March 2013 £000	As at 30 March 2012 £000
Amounts due to group undertakings	135,079	135,079

**Amounts falling due after one year**

	As at 29 March 2013 £000	As at 30 March 2012 £000
Amounts due to group undertakings	240,294	240,294

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

**7 CALLED UP SHARE CAPITAL**

	As at 29 March 2013 £000	As at 30 March 2012 £000
Allotted, called-up and fully paid 150,000,100 Ordinary shares of £0.01 each	1,501	1,501
Share premium	148,500	148,500



**BIFFA WASTE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE 52 WEEKS ENDED 29 MARCH 2013**

**8 PROFIT AND LOSS ACCOUNT**

	<u>£000</u>
At 30 March 2012	(144,513)
Loss for the period	(103,968)
At 29 March 2013	<u>(248,481)</u>

**9 RECONCILIATION OF THE MOVEMENTS IN SHAREHOLDER'S FUNDS**

	As at 29 March 2013 <u>£000</u>	As at 30 March 2012 <u>£000</u>
Loss for the period	(103,968)	-
Net reduction in shareholder's funds	(103,968)	-
Shareholder's funds at beginning of period	5,488	5,488
Shareholder's (deficit)/funds at end of period	<u>(98,480)</u>	<u>5,488</u>

**10 ULTIMATE PARENT UNDERTAKING**

The immediate parent undertaking is Biffa Corporate Holdings Limited.

The Company's ultimate parent undertaking is Wasteholdco 1 Limited. The parent company of the smallest group to consolidate these financial statements is Wasteholdco 2 Limited. The parent company of the largest group to consolidate these financial statements is Wasteholdco 1 Limited. Following enactment of a scheme of arrangement on 30 January 2013, the Company's joint controlling parties are considered to be GL Europe Luxembourg SARL, Silver Oak Capital LLC and Sankanty European Investments SARL. Copies of Wasteholdco 1 Limited and Wasteholdco 2 Limited consolidated financial statements can be obtained from the company secretary at Ogier House, The Esplanade, St Helier, JE4 9WG.