

Biffa Polymers Limited
Annual report and financial statements
For the 52 weeks ended 27 March 2015

Registered number: 02729607

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Biffa Polymers Limited
Annual report and financial statements
For the 52 weeks ended 27 March 2015

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Biffa Polymers Limited
Company information

Registered office

Third Floor
The Gatehouse
Gatehouse Way
Aylesbury
Bucks
HP19 8DB

Director

I R Wakelin

Company secretary

K Woodward

Registered auditor

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

Biffa Polymers Limited
Strategic report
For the 52 weeks ended 27 March 2015

The Director presents here a strategic review of the business of the Company for the 52 week period ended 27 March 2015. 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.

Review of the business

The Company operates in the UK waste and recycling industry and is a member of a group of companies owned by Wasteholdco 1 Limited (“The Biffa Group”).

The company operates a state of the art plastics reprocessing facility, providing tailored solutions for plastics converters and consumers whilst minimising the effects on the environment. It has the world’s first food grade recycled High Density Polyethylene (HDPE) plant that recycles used milk bottles back into useable milk bottles. The company also recovers Polypropylene-rich materials from a mixed recycling waste stream and converts them into a clean, washed regrind flake ready to be used in a range of applications in the agricultural, automotive and packaging sectors.

The company has faced a challenging 12 months due to the volatility in the commodities market which has impacted greatly on the profitability of the business. Operational improvements have helped to soften the full impact of the downturn.

Future developments

The Company is continuing the development of new processes and products. It is working on developing a higher specification of output as well as a coloured product which it is expected will increase the volume and value of future sales.

Principal risks and uncertainties

There are a number of potential risks and uncertainties which could have a material impact on the Company’s long term performance. These risks and uncertainties are monitored by the Director on a regular basis.

The Director and management team consider the risk implications of all significant business decisions and risks are reassessed on a regular basis to ensure that any changes in the Company’s operations, or the external environment, are identified and appropriately managed. The key risks affecting the business are as follows:

1. Much of the Company’s revenues come from the sale of recovered plastics. The selling price of each of these is subject to fluctuations, which can affect the Company’s financial performance.
2. The Company is dependent on sourcing sufficient quantities of high grade material feedstock to keep its plant operating at high enough capacity to maintain its operating margins.
3. The Company operates in the waste and recycling industry. The economics of this industry are heavily affected by legislative and fiscal measures including but not limited to Landfill Tax, Waste Management Licensing, Hazardous Waste Regulations, the EU Packaging and Waste Electronics Directives and mandatory domestic recycling targets. Whilst these measures are, on the whole, of benefit to the Company’s business model, its financial performance can be affected by any changes in the fiscal and legislative framework that governs the industry.
4. The Company handles waste and recyclable materials and its operations are subject to its compliance with various planning and licensing regulations. Infringement of these regulations could disrupt the Company’s operations or leave it at risk of liability to prosecution. The Company continues to review its compliance with all relevant legal duties and provide adequate resources for planning, provision and maintenance of safe working conditions and a safe system of work.
5. The Company is affected by the overall state of the economy.
6. The company’s operational performance depends on the use of technology which may fail to meet expectations. To mitigate this risk the Company make significant investment in new technologies and keeps abreast of developments in the market by maintaining good relationships with both its suppliers and customers and regularly reviews its service offerings to ensure they are fully compliant and meet the needs of its customers.

Biffa Polymers Limited
Strategic report
For the 52 weeks ended 27 March 2015 (continued)

Risk and risk management strategy (continued)

The Company also faces a number of financial risks in the ordinary course of business, including credit risk, liquidity risk, and market risk (interest rate risk and price risk). The most significant exposure relates to credit risk.

The Company's overall risk management programme is the responsibility of the Director. He seeks to minimise potential adverse effects on the Company's financial performance from fluctuations in financial markets and to manage these risks in a non-speculative manner.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and cash and cash equivalents.

The Director has a credit policy in place where credit evaluations are performed on all customers requiring credit over certain thresholds and credit limits are established for each customer. The Company's exposure to credit risk and credit limits are monitored regularly.

Trade debtors are monitored by geographic region and by customer. At the balance sheet date there were no significant concentrations of credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to manage liquidity is to ensure as far as possible that it will always have sufficient liquidity to meet its liabilities when due without incurring unacceptable losses or risking damage to the Company's reputation. It is the policy of the Company to have adequate committed undrawn facilities available at all times to cover unanticipated financing requirements. As set out in note 2(e), the Company's parent undertaking has indicated its intention in writing to continue to provide financial support to the Company.

Obligations under finance leases are secured on related assets.

Market risk

Market risk is the risk that changes in market prices, such as interest rates and commodity prices, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Interest rate risk

In managing interest rate risk, the Company's objective is to reduce the impact of short-term fluctuations on the Company's income. Over the long-term, however, permanent changes in interest rates would have an impact on income. The Company is primarily financed by finance leases and intercompany payables. The Company had no derivative financial instruments in place during the period ended 27 March 2015 or the period ended 28 March 2014 to manage exposures to interest rate risks.

Price risk

Price risk arises from the purchase of raw materials for use in the Company's recycling facilities and the sale of finished goods from the Company's recycling facilities. It also arises from the sale of PRN's (Packaging Recovery Notes) in the Company's recycling operations. The Company's objective is to reduce exposure to price risks on raw materials, work-in-progress and finished goods through a low stockholding and a high stock turnover.

The Company had a total stockholding of £2,093,000 at 27 March 2015 (2014: £1,123,000).

Biffa Polymers Limited
Strategic report
For the 52 weeks ended 27 March 2015 (continued)

Employee engagement

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

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

The Company places great emphasis on recruiting and training high quality competent staff from both within and outside the sector. The Director considers succession planning issues on a regular basis

Key performance indicators

The key performance indicators focused on by management include:

	2015	2014
	£'000	£'000
		Restated
Revenue	20,618	19,787
EBIT	(245)	60
EBIT margin	(1.19%)	0.30%
Profit for the period	62	84

Biffa Polymers Limited
Director's report
For the 52 weeks ended 27 March 2015

The Director presents his Director's report together with the audited financial statements of the Company for the 52 week period ended 27 March 2015.

Results and dividends

The results for the period are set out on page 10.

There was no dividend paid during the period (2014: £nil). The Director does not recommend the payment of a dividend for the period ended 27 March 2015.

FRS 101 reduced disclosure framework

The financial statements have been prepared and approved by the Director in accordance with Financial Reporting Standard (FRS) 101 Reduced Disclosure Framework issued by the Financial Reporting Council. The Company has early adopted FRS 101 Reduced Disclosure Framework to take advantage of the reduced disclosures available as the Company meets the definition of a qualifying entity.

Director and Company secretary

The Director and Company secretary who held office during the period and subsequent to the period end were as follows:

I. Wakelin

K. Woodward (Company secretary)

Disabled employees

Applications for employment by disabled persons are always fully considered bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the Company continues and that appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic report on pages 2-4.

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

Biffa Group Limited which owns the entire shareholding of the Company via its holdings in subsidiary undertakings has indicated its written intention to continue to provide financial support to the Company to enable it to meet its debts as they fall due.

After considering the above and making enquiries, the Director has a reasonable expectation that the Company is well placed to manage its business risks successfully, and has adequate resources to continue in operational existence for the foreseeable future. Accordingly, he continues to adopt the going concern basis in preparing the annual report and financial statements.

Biffa Polymers Limited
Director's report
For the 52 weeks ended 27 March 2015 (continued)

Disclosure of information to auditor

The Director who held office at the date of approval of this Director's report confirms that, so far as he is aware, there is no relevant audit information of which the Company's auditor is unaware; and he has taken all the steps that he ought to have taken as a Director to make himself 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 provisions of s418 of the Companies Act 2006.

Auditor

Deloitte LLP was reappointed as auditor during the period and 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.

By order of the sole Director



I. Wakelin
Director

24 December 2015

Biffa Polymers Limited
Statement of Director's responsibilities
For the 52 weeks ended 27 March 2015

The Director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Director to prepare financial statements for each financial year. Under that law the Director has elected to prepare the financial statements in accordance with Financial Reporting Standard (FRS) 101 Reduced Disclosure Framework.

Under company law the Director must not approve the financial statements unless he is 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 Director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 Director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Director is responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Biffa Polymers Limited
Independent auditor's report to the members of Biffa Polymers Limited
For the 52 weeks ended 27 March 2015

We have audited the financial statements of Biffa Polymers Limited for the period ended 27 March 2015 which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity and the related notes 1 to 23. The financial reporting framework that has been applied in their preparation is applicable law and Financial Reporting Standard (FRS) 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 Director and auditor

As explained more fully in the Statement of Director's responsibilities, the Director is responsible for preparing 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). These standards require us to comply with the Auditing Practices Boards' 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 result for the year 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

Biffa Polymers Limited
Independent auditor's report to the members of Biffa Polymers Limited
For the 52 weeks ended 27 March 2015 (continued)

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 Strategic report and Director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and Director's 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 Director's report.

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 Director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



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

24 December 2015

Biffa Polymers Limited
Profit and loss account
For the 52 week period ended 27 March 2015

	<i>Notes</i>	2015 £'000	2014 £'000 Restated
Continuing operations			
Turnover	4	20,618	19,787
Cost of sales		(19,664)	(18,558)
Impairment of Mixed Plastics facility	6	-	(104)
Gross profit		954	1,125
Distribution costs		-	(19)
Administration expenses		(1,587)	(1,414)
Other income: government grants		388	368
(Loss)/profit from operating activities		(245)	60
Interest receivable & similar income	7	3	3
Interest payable and similar charges	7	(15)	(46)
(Loss)/profit on ordinary activities before income tax		(257)	17
Income tax credit	8	319	67
Profit for the financial period		62	84

The accompanying notes form an integral part of the financial statements.

The Company has no gains or losses other than the loss shown above and therefore no separate statement of total recognised gains and losses has been presented.

There is no material difference between the result for the period stated above and its historical cost equivalents.

The profit for the 52 week period ended 28 March 2014 has been restated as a result of the restatement of finance leases as detailed in note 23.

Biffa Polymers Limited
Balance sheet
As at 27 March 2015

	<i>Notes</i>	2015 £'000	2014 £'000 Restated
Fixed assets			
Tangible assets	9	3,430	4,671
Current assets			
Stocks	11	2,093	1,123
Debtors	12	6,475	6,189
Cash at bank and in hand		570	991
Total current assets		9,138	8,303
Creditors: amounts falling due within one year	13	(17,826)	(17,743)
Net current liabilities		(8,688)	(9,440)
Total assets less current liabilities		(5,258)	(4,769)
Creditors: amounts falling due after more than one year	14	(254)	(805)
Provisions for liabilities	15	(206)	(206)
Net liabilities		(5,718)	(5,780)
Capital and reserves			
Share capital	17	-	-
Share premium	18	43	43
Retained earnings	18	(5,761)	(5,823)
Total shareholder's deficit		(5,718)	(5,780)

The balance sheet as at 28 March 2014 has been restated as a result of the restatement of finance leases as detailed in note 23. Company number: 02729607. The accompanying notes form an integral part of the financial statements. These financial statements were approved and authorised for issue by the sole Director on ~~24~~ December 2015 and were signed on its behalf by:

I. Wakelin
Director



Biffa Polymers Limited
Statement of changes in equity
For the 52 week period 27 March 2015

	Share Capital £'000	Share Premium £'000	Retained earnings £'000	Total £'000
At 28 March 2014	-	43	(5,799)	(5,756)
Lease restatement	-	-	(24)	(24)
At 28 March 2014 after lease restatement	-	43	(5,823)	(5,780)
Profit for the period	-	-	62	62
At 27 March 2015	-	43	(5,761)	(5,718)

The retained earnings as at 28 March 2014 has been restated as a result of the restatement of finance leases as detailed in note 23.

Biffa Polymers Limited
Notes to the financial statements
For the 52 weeks ended 27 March 2015

1 Reporting entity

Biffa Polymers Limited (the “Company”) is a company incorporated in Great Britain and domiciled in the United Kingdom. The registered office of the company is 3rd Floor, The Gatehouse, Gatehouse Way, Aylesbury, Buckinghamshire, HP19 8DB. The nature of the Company, its operations and its principal activities are set out in the Strategic report and Director’s report.

2 Basis of preparation

(a) Statement of compliance

The financial statements have been prepared and approved by the Director in accordance with Financial Reporting Standard (FRS) 101 Reduced Disclosure Framework issued by the Financial Reporting Council. The Company has early adopted FRS 101 Reduced Disclosure Framework to take advantage of the reduced disclosures available as the Company meets the definition of a qualifying entity.

Details of the parent in whose consolidated financial statements the Company is included are shown in note 20 to the financial statements.

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.

(b) Measurement

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

Biffa Polymers Limited
Notes to the financial statements
For the 52 weeks ended 27 March 2015 (continued)

2 Basis of preparation (continued)

(c) Consolidation

The Company has taken advantage of the exemption under IAS 27 *Consolidated and Separate Financial Statements*, not to prepare consolidated financial statements.

The Company is a 100% owned subsidiary of Greenstar UK Holdings Limited, a company incorporated in Great Britain.

The largest group in which the Company's results are consolidated is that headed by Wasteholdco 1 Limited. The principal shareholders of Wasteholdco1 Limited are GL Europe Luxembourg SARL, Silver Oak Capital LLC and Sankanty European Investments SARL. The smallest group in which the results of the Company are consolidated is that headed by Biffa Group Holdings Limited (formerly Wasteholdco 3 Limited) which owns the entire shareholding of the Company via its holdings in subsidiary undertakings and is an indirect subsidiary undertaking of Wasteholdco 1 Limited. Copies of the consolidated financial statements of Wasteholdco 1 Limited and Biffa Group Holdings Limited (formerly Wasteholdco 3 Limited) can be obtained from the Jersey Financial Services Commission, PO Box 111, 14-18 Castle Street, St Helier, Jersey, JE4 9QD

(d) Estimates and uncertainties

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. Judgements made by management that have significant effect on the financial statements and critical accounting estimates are discussed below.

Key sources of estimation uncertainty and critical accounting judgements in applying the Company's accounting policies

(i) Leases

The Company has made judgements in determining when substantially all the risks and rewards of ownership of lease assets are transferred from other entities.

(ii) Recoverability of trade debtors

The Company has made judgements when assessing the impairment of its trade debtors. Outstanding balances have been grouped on the basis of similar risk characteristics such as past-due status, and impairment has been reviewed with reference to historical loss experience updated for current conditions.

(ii) Recoverability of plant & machinery

The Company has made judgements when assessing the impairment of its plant & machinery. These include assessing the recoverable amount of the plant & machinery, which is the greater of its 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 equipment.

Biffa Polymers Limited
Notes to the financial statements
For the 52 weeks ended 27 March 2015 (continued)

(e) Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on pages 2 to 4.

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

Biffa Group Limited which owns the entire shareholding of the Company via its holdings in subsidiary undertakings has indicated its intention in writing to continue to provide financial support to the Company to enable it to meet its debts as they fall due.

After considering the above and making enquiries, the Director has 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.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Foreign currency

(i) Functional and presentation currency

The Financial statements are presented in Sterling, which is also the Company's functional currency. Items included in the Financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates, which is primarily Sterling.

(ii) Foreign currency transactions

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Non-monetary assets that are carried at historical cost are not subsequently re-translated. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translations are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to functional currency at foreign exchange rates ruling at the dates the fair values were determined.

(b) Tangible fixed assets

(i) Owned assets

Tangible fixed assets are stated at cost, net of accumulated depreciation and any impairment losses (see accounting policy (c)). Cost includes those costs, including employee and other costs, which are directly attributable to bringing assets into working condition for their intended use. The cost of self-constructed assets and acquired assets includes, where relevant, (i) the initial estimate at the time of installation of the assets of dismantling and removing the items and of restoring the site on which they are located; and (ii) changes in the measurement of existing liabilities recognised for those costs during the period of use resulting from changes in the timing or outflow of resources required to settle the obligation or from changes in the discount rate.

Costs in relation to assets in development and construction are capitalised, where, in the opinion of the Director, the related project will be successfully developed and the economic benefits arising from future operations will at least equal the amount of capitalised expenditure incurred to date. Depreciation commences when the asset is substantially complete and ready for its intended use.

Biffa Polymers Limited
Notes to the financial statements
For the 52 weeks ended 27 March 2015 (continued)

3 Significant accounting policies (continued)

(b) Tangible fixed assets (continued)

(i) Owned assets (continued)

When parts of an item of have different useful lives, those components are accounted for as separate items of tangible fixed assets.

(ii) Leased assets

Leases under the terms of which the Company assumes substantially all the risks and rewards of ownership, are classified as finance leases. Assets acquired by way of finance lease are stated at the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses (see accounting policy (c)). The capital element of finance lease obligation payments is recorded as a liability, while the interest element is charged to the profit and loss account over the period of the lease to produce a constant rate of charge on the balance of capital repayments outstanding. Operating lease payments are accounted for as described in accounting policy (j)(i).

(iii) Subsequent expenditure

The Company recognises in the carrying amount of an item of tangible fixed assets the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied within the item will flow to the Company and the cost of the replaced item can be measured reliably for its derecognition. All other costs are recognised in the profit and loss account as an expense as incurred.

(iv) Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value on a straight line basis over its expected useful life as follows:

Land and buildings short leasehold	shorter of life of lease or 10 years
Plant and machinery	3-10 years
Computers	3-4 years
Fixtures and fittings	4-10 years

The residual value, if significant, and remaining useful lives are reassessed annually.

(c) Impairment

The carrying amounts of the Company's assets, other than stocks (see accounting policy (d)) and 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.

(i) 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.

Biffa Polymers Limited
Notes to the financial statements
For the 52 weeks ended 27 March 2015 (continued)

3 Significant accounting policies (continued)

(d) Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is based on a combination of the first-in first-out and weighted average methods and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Net realisable value is based on estimated selling price in the ordinary course of business, less further costs expected to be incurred to completion and disposal. Provision is made for obsolete, slow-moving or defective items where appropriate.

(e) Financial instruments

Non-derivative financial instruments

Non derivative financial instruments comprise trade and other debtors, cash at bank and in hand, borrowings, 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

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

(ii) Trade debtors

Trade debtors are stated at their cost less impairment losses (see accounting policy (c)).

(iii) Cash at bank and in hand

Cash at bank and in hand comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash at bank and in hand.

(iv) Borrowings

Interest-bearing borrowings are recognised initially at fair value, less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowings on an effective interest basis.

(v) Trade creditors

Trade creditors are stated at their expected settlement amount.

Biffa Polymers Limited
Notes to the financial statements
For the 52 weeks ended 27 March 2015 (continued)

3 Significant accounting policies (continued)

(f) 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.

(g) Provisions

A provision is recognised in the balance sheet when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to that liability.

(h) Turnover

Turnover represents the fair value of goods and services delivered to customers in the normal course of business, net of trade discounts and VAT. Turnover from the sale of goods is recognised when the goods are despatched. Services are deemed to have been delivered when, and to the extent that, the Company has met its obligations under its service contracts. Payments received in advance of performance are deferred and recognised as revenue when the related service is delivered.

(i) Cost of sales

Cost of sales include those costs directly attributable to the Company's revenue streams including those direct costs associated with the Company's recycling operations.

(j) Expenses

(i) Operating lease payments

Payments made under operating leases are recognised in the profit and loss account on a straight-line basis over the terms of the lease even if payments are not made on such a basis. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense.

(ii) Interest payable and interest receivable

Interest payable and interest receivable comprise interest payable on borrowings calculated using the effective interest rate method, interest receivable on funds invested and foreign exchange gains and losses and gains that are recognised in the profit and loss and the unwinding of discounts on provisions.

Interest income is recognised in profit or loss as it accrues, taking into account the effective yield on the asset.

The interest expense component of finance lease payments is recognised in profit or loss using the effective interest rate method.

Biffa Polymers Limited
Notes to the financial statements
For the 52 weeks ended 27 March 2015 (continued)

3 Significant accounting policies (continued)

(k) Income tax

Income tax on the profit 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 on the taxable income for the period, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable 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) Employee benefits - defined contribution plans

Obligations for contributions to defined contribution pension plans are recognised as an expense in profit or loss in the period in which the relevant employee service is received.

(m) 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 relating to property, plant and equipment are treated as deferred income and released to profit or loss over the expected useful lives of the assets concerned.

4 Turnover

The following is an analysis of the Company's turnover by business segment:

	2015 £'000	2014 £'000
Sale of goods	20,253	19,525
Provision of services	365	262
	20,618	19,787

The following is an analysis of the Company's turnover by geographical segment:

	2015 £'000	2014 £'000
United Kingdom	18,583	18,576
Rest of European Union	2,033	1,211
Rest of World	2	-
	20,618	19,787

Biffa Polymers Limited
Notes to the financial statements
For the 52 weeks ended 27 March 2015 (continued)

5 Employee benefits and transactions with executive Directors

The average number of persons employed by the Company during the period is as follows:

	2015 No.	2014 No.
Operations	98	93
Administration	9	10
	107	103

Staff costs comprise:

	2015 £'000	2014 £'000
Wages and salaries	2,782	2,675
Social welfare costs	256	250
Pension costs	36	29
Redundancy costs	-	304
	3,074	3,258

The Director in office at 27 March 2015 was paid by a fellow subsidiary company in the current and prior period. The Director is not accruing retirement benefits under money purchase schemes in the current or prior period. There were no loans to the Director in the current or prior period

6 Statutory and other information

	2015 £'000	2014 £'000 Restated
Impairment of trade debtors	75	10
Depreciation of tangible fixed assets		
- owned	1,705	1,453
- leased	428	633
Impairment of Mixed Plastics facility	-	104
Operating lease rentals		
- premises	185	183
- other	106	171

Auditor's remuneration of £3,000 (2014: £3,000) was borne by a fellow subsidiary company during the current and prior period.

Biffa Polymers Limited
Notes to the financial statements
For the 52 weeks ended 27 March 2015 (continued)

7 Interest receivable & interest payable

	2015 £'000	2014 £'000 Restated
Interest receivable & similar income		
Bank interest receivable	<u>3</u>	<u>3</u>
Interest payable & similar charges		
Finance lease interest	<u>(15)</u>	<u>(46)</u>

8 Income tax credit

	2015 £'000	2014 £'000
Recognised in the profit and loss account		
<i>Current tax:</i>		
Current period	-	-
Prior period adjustment	<u>-</u>	<u>13</u>
Total current tax charge	-	13
<i>Deferred tax:</i>		
Origination and reversal of temporary differences	(335)	(392)
Prior period adjustment	-	-
Effect of change in rate	<u>16</u>	<u>312</u>
Total deferred tax credit	<u>(319)</u>	<u>(80)</u>
Total income tax credit	<u>(319)</u>	<u>(67)</u>

Biffa Polymers Limited
Notes to the financial statements
For the 52 weeks ended 27 March 2015 (continued)

8 Income tax credit (continued)

The difference between the total income tax credit shown above and the amount calculated by applying the standard rate of UK corporation tax is as follows:

	2015 £'000	2014 £'000
(Loss)/Profit before taxation	(257)	17
Tax on loss before income tax at standard		
UK corporation tax rate of 21% (2014: 23%)	(54)	4
<i>Effects of:</i>		
Expenses not deductible for tax purposes	3	4
Prior period adjustment	-	13
Effect of change in rate	16	312
Group relief	(284)	(400)
Total income tax credit for the period	(319)	(67)

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's announcement of future reduction in the main tax rate of 2% down to 18% by 1 April 2020 was enacted on 18 November 2015. 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

9 Tangible fixed assets

	Land and buildings short leasehold	Plant and machinery	Computers	Fixtures and fittings	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 28 March 2014	160	15,933	112	41	16,246
Lease restatement	-	566	-	-	566
At 28 March 2014 after restatement	160	16,499	112	41	16,812
Additions	79	813	-	-	892
Disposals	-	(4,164)	(6)	(5)	(4,175)
At 27 March 2015	239	13,148	106	36	13,529
Depreciation					
At 28 March 2014	61	11,677	109	23	11,870
Lease restatement	-	271	-	-	271
At 28 March 2014 after restatement	61	11,948	109	23	12,141
Charge for the period	22	2,104	2	5	2,133
Disposal	-	(4,164)	(6)	(5)	(4,175)
At 27 March 2015	83	9,888	105	23	10,099
Carrying amounts					
At 27 March 2015	156	3,260	1	13	3,430
At 28 March 2014 restated	99	4,551	3	18	4,671

Biffa Polymers Limited
Notes to the financial statements
For the 52 weeks ended 27 March 2015 (continued)

9 Tangible fixed assets *(continued)*

The Director does not consider the remaining useful lives of tangible fixed assets to be materially different from the period over which the assets are being depreciated.

Leased plant and machinery

The Company leases equipment, principally items of plant and machinery, under a number of finance lease agreements. At the end of each lease term the Company has the option to purchase the equipment at a beneficial price. The carrying amount of leasehold plant was as follows:

	2015 £'000
At beginning of period	574
Lease restatement	295
At beginning of period after restatement	<u>869</u>
Additions	24
Reclassification to owned assets	(260)
Depreciation for period	(428)
	<u> </u>
At end of period	<u>205</u>

Directive 2002/96/EC of the European Parliament and of the Council of 27 January 2003 on Waste Electrical and Electronic equipment was introduced on 13 August 2005. The Company has adopted a comprehensive policy on collection, treatment, recovery, reuse and recycling of waste and does not believe that the introduction of this directive has had a material effect on the carrying cost of property, plant and equipment purchased prior to 13 August 2005. The cost of collection, treatment, recovery and recycling of property, plant and equipment purchased subsequent to 13 August 2005 is financed through the payment of charges on acquisition. These charges are capitalised as part of the cost of the related asset and depreciated over the assets' expected useful life.

Obligations under finance leases are secured on related assets.

Biffa Polymers Limited
Notes to the financial statements
For the 52 weeks ended 27 March 2015 (continued)

10 Deferred tax asset

	2015		2014	
	Assets	Total	Assets	Total
	£'000	£'000	£'000	£'000
Fixed asset timing differences	2,352	2,352	2,028	2,028
Other timing differences	50	50	54	54
	2,402	2,402	2,082	2,082

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

	Fixed asset timing differences £'000	Other timing differences £'000	Total £'000
At 28 March 2014	2,028	54	2,082
Recognised in profit and loss (<i>note 8</i>)	324	(5)	319
At 27 March 2015	2,352	49	2,401

11 Stocks

	2015 £'000	2014 £'000
Consumables	710	605
Finished goods	1,383	518
	2,093	1,123

In the opinion of the Director, there is no material difference between the carrying values of the Company's stocks and the fair value less costs to sell. The total amount of stock recognised as an expense during the period was £7,597,000 (2014: £7,018,000).

Biffa Polymers Limited
Notes to the financial statements
For the 52 weeks ended 27 March 2015 (continued)

12 Debtors

	2015 £'000	2014 £'000
Trade debtors	3,841	3,972
Deferred tax (<i>see note 10</i>)	2,401	2,082
Other debtors & prepayments	233	135
	6,475	6,189

The deferred tax asset is not recoverable within one year.

13 Creditors: amounts falling due within one year

	2015 £'000	2014 £'000 Restated
Trade creditors	1,126	1,075
Other creditors and accruals	652	867
Other taxation and social security	162	280
Obligations under finance leases and hire purchase contracts (<i>note 16</i>)	117	377
Government grants	193	124
Amounts due to related parties	15,576	15,020
	17,826	17,743

The government grants creditor relates to a grant from The Waste and Resources Action Programme for capital expenditure on the Mixed Plastics recycling facility. The creditor is being released to the profit and loss account over the expected useful life of the related assets.

Amounts due to related parties are unsecured, non-interest bearing and repayable on demand.

The obligations under finance leases and hire purchase contracts as at 28 March 2014 has been restated as a result of the restatement of finance leases as detailed in note 23.

14 Creditors: amounts falling due after more than one year

	2015 £'000	2014 £'000 Restated
Obligations under finance leases and hire purchase contracts (<i>note 16</i>)	104	199
Government grants	150	606
	254	805

The grants relate to a grant from The Waste and Resources Action Programme for capital expenditure on a Mixed Plastics recycling facility. The creditor is being released to the profit and loss account over the period in which depreciation is recognised on these assets.

The obligations under finance leases and hire purchase contracts as at 28 March 2014 has been restated as a result of the restatement of finance leases as detailed in note 23.

Biffa Polymers Limited
Notes to the financial statements
For the 52 weeks ended 27 March 2015 (continued)

15 Provision for liabilities

	2015 £'000	2014 £'000
Restoration provision	<u>206</u>	<u>206</u>
	<u>206</u>	<u>206</u>

The provision relates to management's best estimate of expected dilapidation costs to be incurred at the end of a contract and is not expected to be payable until 2020.

16 Obligations under finance leases and hire purchase contracts

This note provides information about the contractual terms of the Company's finance leases and hire purchase contracts

	Present value of minimum lease payments		Minimum lease payments	
	2015	2014 Restated	2015	2014 Restated
	£'000	£'000	£'000	£'000
Amounts payable under finance leases				
Within one year	<u>117</u>	<u>377</u>	<u>123</u>	<u>392</u>
Due in less than one year	<u>117</u>	<u>377</u>	<u>123</u>	<u>392</u>
Between one and two years	49	112	51	118
Between two and five years	55	87	57	90
Due in more than one year	<u>104</u>	<u>199</u>	<u>108</u>	<u>208</u>
	<u>221</u>	<u>576</u>	<u>231</u>	<u>600</u>
Less future charges	<u>-</u>	<u>-</u>	<u>(10)</u>	<u>(24)</u>
Present value of lease obligations	<u>221</u>	<u>576</u>	<u>221</u>	<u>576</u>

The obligations under finance leases and hire purchase contracts as at 28 March 2014 has been restated as a result of the restatement of finance leases as detailed in note 23.

Biffa Polymers Limited
Notes to the financial statements
For the 52 weeks ended 27 March 2015 (continued)

17 Share capital

	2015		2014	
	No. of shares	£	No. of shares	£
<i>Authorised</i>				
Ordinary shares of £1 each				
At beginning and end of period	100,000	100,000	100,000	100,000
<i>Allotted, called up and fully paid</i>				
Ordinary shares of £1 each				
At beginning and end of period	118	118	118	118

Capital management

The Company defines share capital and share premium as its capital. The Company's shares are 100% owned by Biffa Group Limited. The Director's policy is to maintain a suitable balance between capital and external borrowings. The Company is not subject to any externally imposed capital requirements.

18 Shareholder's deficit

	Share Capital £'000	Share Premium £'000	Retained earnings £'000	Total £'000
At 28 March 2014	-	43	(5,799)	(5,756)
Lease restatement	-	-	(24)	(24)
At 28 March 2014 after lease restatement	-	43	(5,823)	(5,780)
Profit for the period	-	-	62	62
At 27 March 2015	-	43	(5,761)	(5,718)

Biffa Polymers Limited
Notes to the financial statements
For the 52 weeks ended 27 March 2015 (continued)

19 Commitments and guarantees

(i) Operating lease commitments

Total commitments payable under non cancellable operating leases are as follows:

	2015		2014 Restated	
	Premises £'000	Total £'000	Premises £'000	Total £'000
Less than one year	183	183	150	150
Between one and five years	734	734	602	602
More than five years	62	62	226	226
	<u>979</u>	<u>979</u>	<u>978</u>	<u>978</u>

The operating lease commitments as at 28 March 2014 has been restated as a result of the restatement of finance leases as detailed in note 23.

(ii) Capital commitments

The Company had no capital commitments at 27 March 2015 (2014: £nil)

20 Parent and ultimate controlling party

The Company is a 100% owned subsidiary of Greenstar UK Holdings Limited, a company incorporated in Great Britain.

The largest group in which the Company's results are consolidated is that headed by Wasteholdco 1 Limited. The principal shareholders of Wasteholdco1 Limited are GL Europe Luxembourg SARL, Silver Oak Capital LLC and Sankanty European Investments SARL. The smallest group in which the results of the Company are consolidated is that headed by Biffa Group Holdings Limited (formerly Wasteholdco 3 Limited) which owns the entire shareholding of the Company via its holdings in subsidiary undertakings and is an indirect subsidiary undertaking of Wasteholdco 1 Limited. Copies of the consolidated financial statements of Wasteholdco 1 Limited and Biffa Group Holdings Limited (formerly Wasteholdco 3 Limited) can be obtained from the Jersey Financial Services Commission, PO Box 111, 14-18 Castle Street, St Helier, Jersey, JE4 9QD.

21 Subsidiaries

At 27 March 2015, the Company had the following subsidiaries:

Held directly:

Name	Activity	Domiciled	Ownership
Wespack Limited	*Inactive	UK	100%

* The company ceased trading in the period ended 30 March 2012.

The registered office of all subsidiary companies is 3rd Floor, The Gatehouse, Gatehouse Way, Aylesbury, Buckinghamshire, HP19 8DB.

Biffa Polymers Limited
Notes to the financial statements
For the 52 weeks ended 27 March 2015 (continued)

22 Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held in external funds administered by independent trustees.

The Company's total pension costs in respect of its defined contribution plan for the period ended 27 March 2015 were £36,000 (2014: £29,000). Pension costs outstanding at 27 March 2015 were £2,000 (2014: £1,000).

23 Prior period restatement

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 Director considers 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 are detailed below:

	52 week period ended 28 March 2014 £'000
Profit and loss account:	
Depreciation charged in the period	98
Operating lease charges	(121)
Interest charges	22
Decrease in loss for the period	<u>(1)</u>
Balance sheet	
Tangible fixed assets	295
Obligations under finance leases and hire purchase contracts	(319)
Increase in net liabilities	<u>(24)</u>