

Biffa Polymers Limited
Annual report and financial statements
For the 52 weeks ended 24 March 2017

Company number: 02729607

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Biffa Polymers Limited
Company information

Registered office

Coronation Road
Cressex Business Park
High Wycombe
Buckinghamshire
HP12 3TZ

Directors

I Wakelin
Biffa Corporate Services Limited

Registered auditor

Deloitte LLP
Statutory Auditor
2 New Street Square
London
EC4A 3BZ
United Kingdom

Biffa Polymers Limited
Annual report and financial statements
For the 52 weeks ended 24 March 2017

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Biffa Polymers Limited
Strategic report
For the 52 weeks ended 24 March 2017

The Directors present here a strategic review of the business of the Company for the 52 week period ended 24 March 2017. 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 Biffa Plc ("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.

In May 2016 the Mixed Plastics processing line was decommissioned and replaced with a smaller wash plant which continues to process polypropylene rich materials and convert them to washed regrind flake. A major 10 month build programme has been undertaken in order to develop and install a second food grade HDPE plant. The final commissioning of this plant was completed in April 2017. For a detailed review of the Company's position refer to the Balance sheet on page 10.

Future developments

The second food grade HDPE plant will become operational following final commissioning in April 2017, which will double the production of recyclate material used in milk bottle production. The Company is continuing the development of new processes, alternate technologies and products.

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 Directors on a regular basis.

The Directors 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 Company also faces a number of financial risks in the ordinary course of business, including credit risk, liquidity risk, operational 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 Directors. They seek 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.

Biffa Polymers Limited
Strategic report (continued)
For the 52 weeks ended 24 March 2017

Risk and risk management strategy (continued)

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 Directors have 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.

Operational Risk

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. The operational performance depends on the use of technology which may fail to meet expectations. To mitigate this risk the Company makes 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.

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 24 March 2017 or the period ended 25 March 2016 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 £1.6m at 24 March 2017 (2016: £1.7m).

Biffa Polymers Limited
Strategic report (continued)
For the 52 weeks ended 24 March 2017

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 Directors consider succession planning issues on a regular basis.

Key performance indicators

The key performance indicators focused on by management include:

	52 weeks to 24 March 2017 £'000	52 weeks to 25 March 2016 £'000	Movement %
Revenue	20,314	22,286	(8.8)%
EBIT	371	(134)	376.9%
EBIT margin	1.83%	(0.60%)	
Profit/(loss) for the period	59	(732)	143.7%

Approved by the Board of Directors and signed on behalf of the Board;

I Wakelin
 Director



27 September 2017

Biffa Polymers Limited
Directors' report
For the 52 weeks ended 24 March 2017

Directors: I Wakelin
Biffa Corporate Services Limited

The Directors present their Directors' report together with the audited financial statements of the Company for the 52 week period ended 24 March 2017.

Results and dividends

The results for the period are set out on page 9.

There was no dividend paid during the period (2016: £nil). The Directors do not recommend the payment of a dividend for the period ended 24 March 2017.

Financial risk management and exposure

The principle financial risks and risk management strategies are detailed in the Strategic Report on page 1 and 2.

FRS 101 reduced disclosure framework

The financial statements have been prepared and approved by the Directors in accordance with Financial Reporting Standard (FRS) 101 Reduced Disclosure Framework issued by the Financial Reporting Council.

Directors

The following changes to the board of Directors during the 52 weeks to 24 March 2017 and up until the date of this report are detailed below:

Biffa Corporate Services Limited appointed on 21 December 2016.

K Woodward resigned as Company Secretary on 9 December 2016.

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 1-3.

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.

Biffa Plc 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 for a minimum of 52 weeks following the signing date.

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 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
Directors' report (continued)
For the 52 weeks ended 24 March 2017

Disclosure of information to auditor

The Directors who held office at the date of approval of this Directors' report confirms that, so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware; and they have taken all the steps that they ought to have taken as Directors to make themselves 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.

Directors' indemnities

The Company has made qualifying third party provisions (as defined in the Act) for the benefit of its Directors. These provisions remain in force at the date of this Annual Report.

In accordance with the Company's articles, and to the extent permitted by law, the Company may indemnify its Directors out of its own funds to cover liabilities arising as a result of their office. The Group holds Directors' and Officers' Liability Insurance cover for any claim brought against directors or officers for wrongful acts in connection with their positions, but the cover does not extend to claims arising from dishonesty or fraud.

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, Statutory Auditor, will therefore continue in office.

Approved and signed on behalf of the Board;

I Wakelin
Director



27 September 2017

Biffa Polymers Limited
Statement of Directors' responsibilities
For the 52 weeks ended 24 March 2017

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 period. 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), including FRS 101 "Reduced Disclosure Framework". Under Company law the Directors 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 Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable FRS 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 enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Biffa Polymers Limited
Independent auditor's report to the members of Biffa Polymers Limited
For the 52 weeks ended 24 March 2017

We have audited the financial statements of Biffa Polymers Limited for the 52 week period ended 24 March 2017 which comprise the Profit and loss account, the Balance sheet, the Statement of changes in equity and the related notes 1 to 21. 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), including 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 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 24 March 2017 and of its profit 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.

Biffa Polymers Limited
Independent auditor's report to the members of Biffa Polymers Limited (continued)
For the 52 weeks ended 24 March 2017

Opinion on other matters prescribed by the Companies Act 2006

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

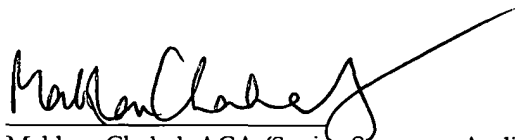
- the information given in the Directors' Report and Strategic Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and Strategic Report have been prepared in accordance with applicable legal requirements.

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



Makhan Chahal, ACA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom

27 September 2017

Biffa Polymers Limited
Profit and loss account
For the 52 week period ended 24 March 2017

	Notes	52 weeks to 24 March 2017	52 weeks to 25 March 2016
		£'000	£'000
Continuing operations			
Turnover	4	20,314	22,286
Cost of sales		(18,905)	(20,999)
Gross profit		1,409	1,287
Administration expenses		(1,160)	(1,610)
Distribution costs		(22)	-
Other income: government grants		149	193
Profit/(loss) from operating activities	5	376	(130)
Interest receivable & similar income	6	2	3
Interest payable & similar expenses	6	(7)	(7)
Profit/(loss) before taxation		371	(134)
Taxation	7	(312)	(598)
Profit/(loss) for the period		59	(732)

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

The Company has no gains or losses other than the profit/(loss) shown above and therefore no separate statement of other comprehensive income has been presented.

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

Biffa Polymers Limited
Balance sheet
As at 24 March 2017

	Notes	As at 24 March 2017 £'000	As at 25 March 2016 £'000
Non-current assets			
Tangible assets	9	1,911	2,576
Deferred tax asset	10	1,542	1,803
		<u>3,453</u>	<u>4,379</u>
Current assets			
Stocks	11	1,568	1,707
Debtors	12	10,632	4,246
Cash at bank and in hand		387	847
		<u>12,587</u>	<u>6,800</u>
Total current assets		<u>12,587</u>	<u>6,800</u>
Creditors: amounts falling due within one year	13	<u>(22,007)</u>	<u>(17,261)</u>
Net current liabilities		<u>(9,420)</u>	<u>(10,461)</u>
Total assets less current liabilities		<u>(5,967)</u>	<u>(6,082)</u>
Creditors: amounts falling due after more than one year	14	(218)	(162)
Provisions for liabilities	15	<u>(206)</u>	<u>(206)</u>
Net liabilities		<u>(6,391)</u>	<u>(6,450)</u>
Capital and reserves			
Called up share capital	16	-	-
Share premium		43	43
Retained earnings		<u>(6,434)</u>	<u>(6,493)</u>
Total shareholder's deficit		<u>(6,391)</u>	<u>(6,450)</u>

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 Directors on 27 September 2017 and were signed by:



I. Wakelin
Director

Biffa Polymers Limited
Statement of changes in equity
For the 52 week period 24 March 2017

	Called up share capital £'000 (note 16)	Share premium £'000	Retained earnings £'000	Called up share capital £'000
At 27 March 2015	-	43	(5,761)	(5,718)
Total comprehensive expense	-	-	(732)	(732)
At 25 March 2016	-	43	(6,493)	(6,450)
Total comprehensive income	-	-	59	59
At 24 March 2017	-	43	(6,434)	(6,391)

Biffa Polymers Limited
Notes to the financial statements
For the 52 weeks ended 24 March 2017

1 Reporting entity

Biffa Polymers Limited ("the Company") is a private company, limited by shares, incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales.

2 Basis of preparation

(a) Statement of compliance

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

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 adoption of the amendments to IFRSs and new interpretations that are mandatorily effective during the year has not had any material impact on the disclosures or on the amounts being reported.

(b) Measurement

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

(c) Consolidation

The company is exempt from the preparation of consolidated financial statements under IAS 27, because it is included in the group financial statements of Biffa Plc.

(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 key judgements in determining when substantially all the risks and rewards of ownership of lease assets are transferred from other entities.

Biffa Polymers Limited
Notes to the financial statements (continued)
For the 52 weeks ended 24 March 2017

2 Basis of preparation (continued)

(d) Estimates and uncertainties (continued)

(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.

(iii) Recoverability of plant & machinery

The Company has made key 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.

(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 1 to 3.

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.

Biffa Plc 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 for a minimum of 52 weeks following the signing date.

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. 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.

Biffa Polymers Limited
Notes to the financial statements (continued)
For the 52 weeks ended 24 March 2017

3 Significant accounting policies (continued)

(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 Directors, 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.

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 expensed to the profit and loss account over the period of the lease to produce a constant rate of expense 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.

Biffa Polymers Limited
Notes to the financial statements (continued)
For the 52 weeks ended 24 March 2017

3 Significant accounting policies (continued)

(c) Impairment (continued)

(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.

(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, trade and other creditors and amounts due to related parties. Non-derivative financial instruments 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 and other debtors

Trade and other 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 and other creditors and amounts due to related parties

Trade and other creditors and amounts due to related parties are stated at their expected settlement amount.

Biffa Polymers Limited
Notes to the financial statements (continued)
For the 52 weeks ended 24 March 2017

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 (continued)
For the 52 weeks ended 24 March 2017

3 Significant accounting policies (continued)

(k) Taxation

Taxation represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the period. Taxable profit differs from 'profit before tax' as reported in the consolidated statement of profit or loss because of items of income or expense that are taxable or deductible in other periods and items that are never taxable or deductible. The Group's current tax is calculated using rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current or deferred tax arises from the initial accounting of a business combination, the tax effect is included in accounting for the business combination.

(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.

Biffa Polymers Limited
Notes to the financial statements (continued)
For the 52 weeks ended 24 March 2017

4 Turnover

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

	52 weeks to 24 March 2017 £'000	52 weeks to 25 March 2016 £'000
Sale of goods	19,260	21,758
Provision of services	1,054	528
	20,314	22,286

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

	52 weeks to 24 March 2017 £'000	52 weeks to 25 March 2016 £'000
United Kingdom	16,721	19,222
Rest of European Union	3,593	3,063
Rest of World	-	1
	20,314	22,286

5 Profit/(loss) from operating activities

	52 weeks to 24 March 2017 £'000	52 weeks to 25 March 2016 £'000
Impairment of trade debtors	2	29
Depreciation of tangible fixed assets (note 9)		
- owned	1,373	1,450
- leased	137	108
Operating lease rentals		
- premises	305	184
- other	259	256
Profit on disposal of fixed assets	43	-
Stock consumed during the period	7,144	8,871
Foreign exchange loss/(gain)	10	(5)
		

Auditor's remuneration of £3,000 (2016: £3,000) was borne by Biffa Waste Services Limited, a fellow group undertaking during the current and prior period. There were no non-audit fees (2016: £nil). All operating leases are held by Biffa Waste Services Limited and recharged to the Company. The financial statements for that company can be obtained from the registered office at Coronation Road, Cressex Business Park, High Wycombe, Buckinghamshire, HP12 3TZ.

Biffa Polymers Limited
Notes to the financial statements (continued)
For the 52 weeks ended 24 March 2017

6 Interest receivable & interest payable

	52 weeks to 24 March 2017 £'000	52 weeks to 25 March 2016 £'000
Interest receivable & similar income		
Bank interest receivable	2	3
	<u>2</u>	<u>3</u>
Interest payable & similar expenses		
Finance lease interest	(7)	(7)
	<u>(5)</u>	<u>(4)</u>

7 Taxation

	52 weeks to 24 March 2017 £'000	52 weeks to 25 March 2016 £'000
Recognised in the profit and loss account		
Current tax:		
Current period	-	-
Prior period adjustment	51	-
	<u>51</u>	<u>-</u>
Total current tax expense		
Deferred tax:		
Origination and reversal of temporary differences	302	280
Prior period adjustment	4	-
Effect of change in rate	(45)	318
	<u>261</u>	<u>598</u>
Total deferred tax expense		
	<u>312</u>	<u>598</u>
Taxation		
	<u>312</u>	<u>598</u>

Biffa Polymers Limited
Notes to the financial statements (continued)
For the 52 weeks ended 24 March 2017

7 Taxation (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:

	52 weeks to 24 March 2017 £'000	52 weeks to 25 March 2016 £'000
Profit/(loss) before taxation	371	(134)
Taxation on loss before income tax at standard rate		
UK corporation tax rate of 20% (2016: 20%)	74	(27)
Effects of:		
Expenses not deductible for tax purposes	(11)	8
Prior period adjustment	54	-
Effect of change in rate	(45)	318
Group relief	240	299
Taxation	312	598

Finance (No.2) Act 2016, which provides for reductions in the main rate of corporation tax from 20% to 19% effective from 1 April 2017 and to 17% effective from 1 April 2020, was enacted on 15 September 2016. As deferred tax assets and liabilities are measured at the rates that are expected to apply in the periods of the reversal, deferred tax balances at the balance sheet date have been calculated at the rate at which the relevant balance is expected to be recovered or settled.

8 Staff Costs

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

	52 weeks to 24 March 2017 No.	52 weeks to 25 March 2016 No.
Operations	87	86
Administration	20	19
	107	105

Biffa Polymers Limited
Notes to the financial statements (continued)
For the 52 weeks ended 24 March 2017

8 Staff Costs (continued)

Staff costs comprise:

	52 weeks to 24 March 2017 £'000	52 weeks to 25 March 2016 £'000
Wages and salaries	3,120	2,984
Social welfare costs	274	260
Pension costs	43	38
	3,437	3,282

Directors' emoluments during the current period was paid by Biffa Plc (2016: Biffa Waste Services Limited) and no amounts were allocated to the Company. These can be referenced from the consolidated financial statements of Biffa Plc, as detailed in note 21. The Directors are not accruing retirement benefits under money purchase schemes in the current or prior period. There were no loans to the Directors in the current or prior period

9 Tangible fixed assets

	Land and buildings short leasehold £'000	Plant and machinery £'000	Fixtures and fittings £'000	Computers £'000	Total £'000
Cost					
At 25 March 2016	242	13,848	37	106	14,233
Additions	57	789	-	-	846
Disposals	(11)	(3,195)	(2)	-	(3,208)
At 24 March 2017	288	11,442	35	106	11,871
Depreciation					
At 25 March 2016	(127)	(11,395)	(29)	(106)	(11,657)
Expense for the period	(47)	(1,457)	(6)	-	(1,510)
Disposals	11	3,195	1	-	3,207
At 24 March 2017	(163)	(9,657)	(34)	(106)	(9,960)
Carrying amounts					
At 24 March 2017	125	1,785	1	-	1,911
At 25 March 2016	115	2,453	8	-	2,576

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

Biffa Polymers Limited
Notes to the financial statements (continued)
For the 52 weeks ended 24 March 2017

9 Tangible fixed assets (continued)

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 net carrying amount of leasehold equipment was £308,000 (2016: £235,000), with a depreciation expense of £90,000 (2016: £108,000) in the period.

Obligations under finance leases are secured on related assets.

10 Deferred tax asset

	As at 24 March 2017		As at 25 March 2016	
	Assets	Total	Assets	Total
	£'000	£'000	£'000	£'000
Fixed asset timing differences	1,535	1,535	1,760	1,760
Other timing differences	7	7	43	43
	1,542	1,542	1,803	1,803

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

	Fixed asset timing differences	Other timing differences	Total
	£'000	£'000	£'000
At 25 March 2016	1,760	43	1,803
Recognised in profit and loss (note 7)	(225)	(36)	(261)
At 24 March 2017	1,535	7	1,542

11 Stocks

	As at 24 March 2017	As at 25 March 2016
	£'000	£'000
Consumables	830	766
Finished goods	738	941
	1,568	1,707

In the opinion of the Directors, 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 £7,144,000 (2016: £8,871,000).

Biffa Polymers Limited
Notes to the financial statements (continued)
For the 52 weeks ended 24 March 2017

12 Debtors

	As at 24 March 2017 £'000	As at 25 March 2016 £'000
Amounts falling due in less than one year		
Trade debtors	4,100	4,183
Other debtors & prepayments	237	63
Current tax receivable	49	-
Amounts due from other group undertakings	6,246	-
	<u>10,632</u>	<u>4,246</u>

13 Creditors: amounts falling due within one year

	As at 24 March 2017 £'000	As at 25 March 2016 £'000
Trade creditors	1,346	1,075
Other creditors and accruals	1,156	1,129
Taxation and social security	29	115
Obligations under finance leases and hire purchase contracts (note 17)	89	75
Government grants	-	149
Amounts due to other group undertakings	18,338	13,669
Amounts due to subsidiary undertakings	1,049	1,049
	<u>22,007</u>	<u>17,261</u>

The government grants creditor relates to an historic 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.

Biffa Polymers Limited
Notes to the financial statements (continued)
For the 52 weeks ended 24 March 2017

14 Creditors: amounts falling due after more than one year

	As at 24 March 2017 £'000	As at 25 March 2016 £'000
Obligations under finance leases and hire purchase contracts (note 17)	218	162

15 Provision for liabilities

	As at 24 March 2017 £'000	As at 25 March 2016 £'000
Restoration provision	206	206

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 Called Up Share capital

	As at 24 March 2017		As at 25 March 2016	
	No. of shares	£	No. of shares	£
Authorised Ordinary shares of £1 each				
At beginning and end of period	100,000	100,000	100,000	100,000
Authorised, issued and fully paid 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 Directors' policy is to maintain a suitable balance between capital and external borrowings. The Company is not subject to any externally imposed capital requirements.

Biffa Polymers Limited
Notes to the financial statements (continued)
For the 52 weeks ended 24 March 2017

17 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	
	As at 24 March 2017 £'000	As at 25 March 2016 £'000	As at 24 March 2017 £'000	As at 25 March 2016 £'000
Amounts payable under finance leases				
Within one year	89	75	110	77
Due in less than one year	89	75	110	77
Between one and two years	80	59	99	59
Between two and five years	138	103	169	104
Due in more than one year	218	162	268	163
	307	237	378	240
Less future expenses	-	-	(71)	(3)
Present value of lease obligations	307	237	307	237

Biffa Polymers Limited
Notes to the financial statements (continued)
For the 52 weeks ended 24 March 2017

18 Commitments and guarantees

(i) Operating lease commitments

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

	As at 24 March 2017		As at 25 March 2016	
	Premises	Total	Premises	Total
	£'000	£'000	£'000	£'000
Less than one year	162	162	183	183
Between one and five years	381	381	615	615
	543	543	798	798

(ii) Capital commitments

The Company had no capital commitments at 24 March 2017 (2016: £nil)

19 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 24 March 2017 were £43,000 (2016: £38,000). Pension costs outstanding at 24 March 2017 were £2,000 (2016: £2,000).

20 Investments in subsidiary undertakings

At 24 March 2017 the Company had the following immaterial investments in subsidiaries:

Name	Activity	Ownership	Registered Office
Wespack Limited	Dormant	100%	Coronation Road, Cressex Business Park, High Wycombe, Buckinghamshire, HP12 3TZ.

21 Parent and ultimate controlling party

The Company is a 100% owned subsidiary of Biffa GS UK Holdings Limited, a Company incorporated in the United Kingdom.

On 19 October 2016, the ownership of the Biffa Group was transferred from Wasteholdco 1 Limited to a newly incorporated entity, Biffa Plc. On 20 October 2016, the shares of Biffa Plc were admitted onto the Premium List of the London Stock Exchange.

The only group in which the Company's results are consolidated is that headed by Biffa Plc, a public limited company registered in England and Wales which owns the entire shareholding of the Company via its holdings in subsidiary undertakings. Copies of the consolidated financial statements of Biffa Plc can be obtained from the registered office at Coronation Road, Cressex Business Park, High Wycombe, Buckinghamshire, HP12 3TZ.