
SPECIALIST WASTE RECYCLING LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

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SPECIALIST WASTE RECYCLING LIMITED

COMPANY INFORMATION

Directors	M Angell (appointed 1 November 2024) M Topham
Company secretary	S Parsons
Registered number	SC324466
Registered office	101 Clydesmill Drive Cambuslang Glasgow Strathclyde G32 8RG United Kingdom

SPECIALIST WASTE RECYCLING LIMITED

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SPECIALIST WASTE RECYCLING LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2024

Introduction

The Directors present their strategic review for Specialist Waste Recycling Limited (the "Company") for the year ended 31 March 2024.

The strategic review contains certain forward-looking statements with respect to the financial condition, results, operations and business of the Company. By their nature, these statements and forecasts involve risk and uncertainty because they relate to events and depend on circumstances that may or may not occur in the future. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements and forecasts.

Our Strategy

The vision of the Biffa Group is simple – to lead the way in UK sustainable waste management. We wish to lead in business performance and returns, innovation, reputation and in how we tackle broader societal issues relevant to our industry. Sustainability is right at the heart of our strategy as we evolve our role as a key enabler of the UK circular economy.

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

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

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

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

The strategy fully supports Biffa's purpose to 'change the way people think about waste' and our vision to 'lead the way in UK sustainable waste management' and is underpinned by our Sustainability Strategy, 'Resourceful, Responsible', which was launched in March 2020.

UN Sustainable Development Goals

Sustainable waste management is a key driver for improving environmental, health, social and financial outcomes. We as part of the Biffa Group play a vital role in helping the UK to address the climate change emergency and deliver sustainable economic growth. This is woven through our sustainable growth strategy and is demonstrated through our actions over the past two decades.

In March 2020 the Biffa Group launched 'Resourceful, Responsible' a 10-year Sustainability Strategy which is aligned to the UN's Sustainable Development Goals. It includes a commitment to unlock £1.25bn of investment in green economy infrastructure, whilst reducing our CO2 emissions by a further 50% in the coming decade. When combined with our achievements in the last 15 years, this will amount to a reduction in our CO2 emissions by over 80%. 'Resourceful, Responsible' is inextricably linked to the Biffa Group's strategic framework and investment in the green economy.

The Group's Annual Sustainability Report details the progress made against our goals for 2030. The 2024 Sustainability Report was published in September 2024 and is available online at www.biffa.co.uk.

SPECIALIST WASTE RECYCLING LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

Financial KPIs

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

	Year ended 31 March 2024 £	Year ended 31 March 2023 £	Movement £
Revenue	42,629,723	42,600,485	29,238
Operating profit	4,409,381	5,418,728	(1,009,347)
Profit after tax	4,424,058	5,416,211	(992,153)
Net assets	26,187,033	21,762,975	4,424,058

During the current financial year, revenue remained consistent with the previous year due to there being no significant changes in the operating model. Operating profit decreased by £1,009,347 due to an increase in employee costs and the release of certain provisions in the prior year. Net assets increased by £4,424,058 which primarily relates to an increase in amounts owed by group undertakings.

Non-financial KPIs

The Company does not monitor non-financial key performance indicators at a subsidiary level. Non-financial key performance indicators for the Biffa Group are shown in the Annual Report and Accounts of Biffa Holdco Limited for the period ended 29 March 2024, which do not form part of this report.

Principal risks and uncertainties

The Directors are aware of the need to review all aspects of risk which are likely to affect the financial stability of the Company. On an annual basis the Biffa Group carries out a detailed internal risk assessment analysis on all aspects of the business.

The principal risks impacting the Company are detailed below. The principal risks of the Biffa Group are detailed in the Annual Report and Accounts of Biffa Holdco Limited for the period ended 29 March 2024.

Credit risk

The Company's principal financial assets are intercompany receivables. The Directors assess the intercompany receivable balances for recoverability based on an assessment of the individual counterparties and consider that the carrying values of the assets represent their recoverable amounts.

The Company has implemented policies that require appropriate credit checks on potential customers before sales are made. The Company also monitors existing customer accounts on an ongoing basis and takes appropriate action where necessary to minimise any potential credit risk.

Liquidity risk

The Company retains sufficient cash to ensure it has funds available to pay liabilities due. The Company also has access to funding from other companies within the Biffa Group if required.

SPECIALIST WASTE RECYCLING LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

Principal risks and uncertainties (continued)

Interest rate risk

The Company has interest bearing assets, including cash balances, all of which earn interest on a floating rate. 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.

Health and safety

Biffa's operations present inherent Health & Safety ("H&S") risks to our employees, our customers and the wider public. Violations of H&S laws/regulations could have a material adverse effect on Biffa's business and reputation. To mitigate against these risks the Company maintains active and regular engagement by senior management including weekly reporting calls and the inclusion of H&S targets and objectives within the Biffa Group's Balanced Business Plan and as one of the 5 pillars of being 'Safer Together'.

Future developments

The Company will continue to provide waste management services in the United Kingdom and remains committed to ensuring its key objective of services excellence is maintained.

Directors' statement of compliance with duty to promote the success of the Company

The Directors of the Company are required under section 172 of the Companies Act 2006 ("s.172") to act in a way that promotes the success of the Company for the benefit of its shareholders as a whole, whilst having regard to the following matters (amongst other things): the likely long term consequences; the interests of the Company's employees; the business relationships with suppliers and customers; the impact on the community and the environment; reputation for high standards of business conduct; and acting fairly between shareholders.

As the Company forms part of the Biffa Group, it has applied the governance framework adopted by Biffa Topco Limited. Further details of the matters set out in s.172 which have been considered by the Group and the Company are set out in the Annual Report and Accounts for Biffa Holdco Limited (which is a subsidiary of Biffa Topco Limited) for the period ended 29 March 2024, which does not form part of this report.

During the year, the Directors have also considered, both individually and together, relevant matters where appropriate including certain corporate administrative matters.

This report was approved by the board and signed on its behalf.



M Angell
Director
Date: 20 December 2024

SPECIALIST WASTE RECYCLING LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2024

The Directors present their report and the financial statements for the year ended 31 March 2024.

Directors

The Directors who served during the period and up to the date of signing were:

M Angell (appointed 1 November 2024)
P James (appointed 19 September 2023, resigned 31 October 2024)
M Topham
Biffa Corporate Services (resigned 19 September 2023)

Company secretary

S Parsons served as Company secretary during the period and up to the date of signing.

Results and dividends

The results for the year are set out on page 7.

The profit for the year, after taxation, amounted to £4,424,058 (2023 - £5,416,211).

No ordinary dividends were paid (2023 - £NIL). The Directors do not recommend payment of a final dividend.

Engagement with suppliers, customers and others

We have continued to focus on our purpose "to change the way people think about waste". Sustainability is at the heart of our business. We're committed to doing the right things to protect our planet, which includes minimising our carbon footprint whilst delivering the most environmental, social and financial value from the resources we collect. We are also proud to give something back to the communities we serve and in doing so create value for all our stakeholders.

We care about our customers and their needs. Every day we provide essential services to a wide range of customers across the UK from large corporates to thousands of local businesses and local authorities. We focus on delivering excellent services consistently, as promised, every time. Our sustainable approach, responsiveness to customer needs and delivery makes us the first choice for customers. Our suppliers play an important role in helping our business deliver for our customers. We form strong, sustainable and trusted partnerships and look to secure excellent value for money, whilst minimising risk in our supply chain.

Engagement with employees

We want our people to be engaged in their work and with their workplace. Research shows that organisations with high levels of employee engagement are more efficient and effective and that highly engaged employees care about the future of their organisation and are motivated to help it achieve its objectives. Our ambition is to be in the top 25% of all companies in the UK.

We pride ourselves on having an open and honest relationship with our workforce, empowering them to have their say, whilst ensuring they remain supported. We engage with each other respectfully, encourage each other and help make Biffa a fair, inclusive and fun place to work. We also continue to maintain two-way engagement with our workforce, ensuring that they are kept up to date with the latest business developments and answering their questions. Our channels include all-employee video calls with our Biffa Group Executive Team, and news updates via our intranet and employee app, Biffa Beat. Biffa Beat helps us to communicate and engage with our frontline workforce, enabling them to openly ask questions and voice their opinions at the touch of a button. This is further supported by the Biffa Involvement Group, a forum of over 100 employees that meet regularly to share ideas and feedback with both each other and the Biffa Group Executive Team.

SPECIALIST WASTE RECYCLING LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

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 Biffa Group continues and that appropriate training is arranged. It is the policy of the Biffa Group that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Qualifying third party indemnity provisions

The Company's articles of association provide for the Directors and officers of the Company to be appropriately indemnified, subject to the provisions of the Companies Act 2006. The Group holds Directors' and officers' liability insurance cover for any claim brought against Directors or officers for wrongful acts in connection with their positions, but the cover does not extend to claims arising from dishonesty or fraud.

Matters covered in the Strategic Report

Information on financial exposure and risk management, and future developments is disclosed within the Strategic Report.

Audit exemption

For the year ended 31 March 2024, the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies as disclosed in the Annual Report and Accounts for Biffa Holdco Limited for the period ended 29 March 2024.

This report was approved by the board and signed on its behalf.



M Angell

Director

Date: 20 December 2024

SPECIALIST WASTE RECYCLING LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2024**

	Note	2024 £	2023 £
Turnover	4	42,629,723	42,600,485
Cost of sales		(35,136,594)	(34,899,992)
Gross profit		7,493,129	7,700,493
Administrative expenses		(3,083,748)	(2,281,765)
Operating profit	5	4,409,381	5,418,728
Interest receivable and similar income	7	19,062	5,831
Interest payable and similar expenses	8	(4,385)	(8,348)
Profit before tax		4,424,058	5,416,211
Profit for the financial year		4,424,058	5,416,211

There were no recognised gains and losses for 2024 or 2023 other than those included in the profit and loss account.

The notes on pages 9 to 21 form part of these financial statements.

SPECIALIST WASTE RECYCLING LIMITED
REGISTERED NUMBER: SC324466

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2024

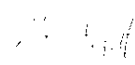
	Note	2024 £	2023 £
Fixed assets			
Goodwill	10	7,802,382	7,802,382
Tangible assets	11	137,581	258,152
		<u>7,939,963</u>	<u>8,060,534</u>
Current assets			
Debtors	12	31,858,156	25,309,157
Cash at bank and in hand	13	377,246	1,679,718
		<u>32,235,402</u>	<u>26,988,875</u>
Creditors: amounts falling due within one year	14	(13,968,433)	(13,198,656)
Net current assets		<u>18,266,969</u>	<u>13,790,219</u>
Total assets less current liabilities		<u>26,206,932</u>	<u>21,850,753</u>
Creditors: amounts falling due after more than one year	15	(19,899)	(87,778)
Net assets		<u><u>26,187,033</u></u>	<u><u>21,762,975</u></u>
Capital and reserves			
Called up share capital	17	2,430,251	2,430,251
Share premium account	18	7,354,369	7,354,369
Profit and loss account	18	16,402,413	11,978,355
		<u>26,187,033</u>	<u>21,762,975</u>

The members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The Company was entitled to exemption from the requirement to have an audit under section 479A of the Companies Act 2006.

The Directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



M Angell

Director

Date: 20 December 2024

The notes on pages 9 to 21 form part of these financial statements.

SPECIALIST WASTE RECYCLING LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2024**

	Called up share capital £	Share premium account £	Retained earnings £	Total equity £
At 1 April 2022	2,430,251	7,354,369	6,562,144	16,346,764
Profit for the year	-	-	5,416,211	5,416,211
Total comprehensive income for the year	-	-	5,416,211	5,416,211
At 1 April 2023	2,430,251	7,354,369	11,978,355	21,762,975
Profit for the year	-	-	4,424,058	4,424,058
Total comprehensive income for the year	-	-	4,424,058	4,424,058
At 31 March 2024	2,430,251	7,354,369	16,402,413	26,187,033

The notes on pages 9 to 21 form part of these financial statements.

SPECIALIST WASTE RECYCLING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

1. General information

Specialist Waste Recycling Limited is a private company, limited by shares, incorporated in the United Kingdom under the Companies Act 2006 and is registered in Scotland. The Company's registered address is 101 Clydesmill Drive, Cambuslang, Glasgow, Strathclyde, United Kingdom, G32 8RG.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

These financial statements are for the year ended 31 March 2024. The comparatives are for the year ended 31 March 2023. The financial statements for the subsequent financial year will be prepared for the year ending 31 March 2025.

These financial statements are prepared in Pound Sterling, which is the functional currency of the Company. Amounts in these financial statements are rounded to the nearest £1.

The Company is exempt from the preparation of consolidated financial statements under section 400 of the Companies Act 2006 because it is included in the consolidated financial statements of Biffa Holdco Limited for the period ended 29 March 2024.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

2.2 Financial Reporting Standard 101 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases. The requirements of paragraph 58 of IFRS 16, provided that the disclosure of details in indebtedness relating to amounts payable after 5 years required by company law is presented separately for lease liabilities and other liabilities, and in total
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
 - paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

SPECIALIST WASTE RECYCLING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

2. Accounting policies (continued)

2.2 Financial Reporting Standard 101 - reduced disclosure exemptions (continued)

This information is included in the consolidated financial statements of Biffa Holdco Limited as at 29 March 2024 and these financial statements may be obtained from the registered office at Coronation Road, Cressex, High Wycombe, Buckinghamshire, HP12 3TZ.

2.3 Going concern

Specialist Waste Recycling Limited is a trading company within the Biffa Group. The principal activity of the Company is provision of waste management services. The Company's current assets and current liabilities primarily relate to balances with other companies within the Biffa Group.

The going concern assumption for the Company has been assessed by considering the performance of the Biffa Group throughout FY25 and for at least 12 months from the date of signing, considering a number of the principal risks. The Biffa Group has the ability to be able to continue to support the Company with levels of committed facilities which the Directors consider sufficient to service its liquidity requirements.

The Biffa Group has also indicated its intention to continue to make available such funds as are needed by the Company, and that it does not intend to seek repayment of the amounts due at the balance sheet date, for a period of at least twelve months from the date these financial statements are signed.

Consequently, the Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least twelve months from the date these financial statements are signed and, therefore, have prepared the financial statements on a going concern basis.

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sales of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

SPECIALIST WASTE RECYCLING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

2. Accounting policies (continued)

2.4 Revenue (continued)

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.5 Leases

The Company as a lessee

The Company assesses whether a contract is or contains a lease, at inception of a contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate. The incremental borrowing rate is defined as the rate of interest that the Company would have to pay to borrow, over a similar term and with a similar security, the funds necessary to obtain an asset of a similar value in a similar economic environment. Lease payments included in the measurement of the lease liability comprise fixed lease payments (including in-substance fixed payments), less any lease incentives.

The lease liability is included in 'Creditors' on the Statement of Financial Position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease. The right-of-use assets are included in the 'Tangible Fixed Assets' line in the Statement of Financial Position.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in note 2.10.

SPECIALIST WASTE RECYCLING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

2. Accounting policies (continued)

2.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold land and buildings	-	length of lease
Plant and machinery	-	20% - 25% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.7 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.8 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.9 Intangible assets - Goodwill

Goodwill represents the excess of the cost of a business combination over the total acquisition date fair value of the identifiable assets, liabilities and contingent liabilities acquired.

Cost comprises the fair value of assets given, liabilities assumed and equity instruments issued.

Goodwill is capitalised as an intangible asset and is not amortised. Instead it is reviewed annually for impairment with any impairment in carrying value being charged to profit or loss. The Companies Act 2006 requires acquired goodwill to be reduced by provisions for depreciation calculated to write off the amount systematically over a period chosen by the directors, not exceeding its useful economic life. It has been deemed, however, the non-amortisation of goodwill is a departure, for the overriding purpose of giving a true and fair view. The effect of this departure has not been quantified because it is impracticable and, in the opinion of the directors, would be misleading.

SPECIALIST WASTE RECYCLING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

2. Accounting policies (continued)

2.10 Impairment

Assets that are subject to amortisation or depreciation are reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Recoverable amount is the higher of fair value less costs of disposal 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 which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease and to the extent that the impairment loss is greater than the related revaluation surplus, the excess impairment loss is recognised in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss to the extent that it eliminates the impairment loss which has been recognised for the asset in prior years. Any increase in excess of this amount is treated as a revaluation increase.

2.11 Debtors

Short-term debtors are measured at transaction price, less any impairment.

2.12 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.13 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

SPECIALIST WASTE RECYCLING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

2. Accounting policies (continued)

2.14 Financial instruments

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets and financial liabilities are initially measured at fair value.

Financial assets

All recognised financial assets are subsequently measured in their entirety at either fair value or amortised cost, depending on the classification of the financial assets.

Impairment of financial assets

The Company always recognises lifetime ECL for trade receivables and amounts due on contracts with customers. The expected credit losses on these financial assets are estimated based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

Financial liabilities

At amortised cost

Financial liabilities which are neither contingent consideration of an acquirer in a business combination, held for trading, nor designated as at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. This is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate a shorter period, to the amortised cost of a financial liability.

SPECIALIST WASTE RECYCLING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of Financial Statements in conformity with FRS 101 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. The Company considers there to be no key sources of estimation uncertainty or judgements.

4. Turnover

An analysis of turnover by class of business is as follows:

	2024 £	2023 £
Waste management services	42,413,084	42,415,968
Sale of goods	216,639	184,517
	<u>42,629,723</u>	<u>42,600,485</u>

All turnover arose within the United Kingdom.

5. Operating profit

The operating profit is stated after charging:

	2024 £	2023 £
Expenses relating to short-term leases	24,344	31,566
Depreciation of tangible fixed assets:		
- Owned	52,848	62,916
- Right of use	65,828	67,094
	<u>143,020</u>	<u>161,576</u>

SPECIALIST WASTE RECYCLING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

6. Employees

Staff costs were as follows:

	2024	2023
	£	£
Wages and salaries	2,401,872	2,099,253
Social security costs	182,158	182,859
Cost of defined contribution scheme	82,056	74,299
	2,666,086	2,356,411

The average monthly number of employees, including the Directors, during the year was as follows:

	2024	2023
	No.	No.
Direct	3	4
Administration	52	53
	55	57

7. Interest receivable and similar income

	2024	2023
	£	£
Interest on bank deposits	19,062	5,831

8. Interest payable and similar expenses

	2024	2023
	£	£
Interest on lease liability	4,385	8,348

SPECIALIST WASTE RECYCLING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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9. Taxation

The Company has no tax charge in the period (2023 - £NIL).

Factors affecting tax charge for the period

The tax assessed for the year is lower than (2023 - *lower than*) the standard rate of corporation tax in the UK of 25% (2023 - 19%). The differences are explained below:

	2024 £	2023 £
Profit before tax	4,424,058	5,416,211
Profit multiplied by standard rate of corporation tax in the UK of 25% (2023 - 19%)	1,106,014	1,029,080
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	94,113	3,515
Capital allowances for year in excess of depreciation	-	24,702
Group relief	(1,200,127)	(1,057,297)
Total tax charge for the year	-	-

The Finance Act 2021, which was enacted on 24 May 2021, increased the main rate of corporation tax in the UK from 19% to 25% effective 1 April 2023.

10. Goodwill

	2024 £
Cost	
At 1 April 2023	7,802,382
At 31 March 2024	7,802,382
Net book value	
At 31 March 2024	7,802,382
At 31 March 2023	7,802,382

SPECIALIST WASTE RECYCLING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

11. Tangible fixed assets

	Long-term leasehold property £	Plant and machinery £	Total £
Cost			
At 1 April 2023	301,290	497,300	798,590
At 31 March 2024	<u>301,290</u>	<u>497,300</u>	<u>798,590</u>
Depreciation			
At 1 April 2023	134,188	406,250	540,438
Charge for the year on owned assets	-	54,743	54,743
Charge for the year on right-of-use assets	65,828	-	65,828
At 31 March 2024	<u>200,016</u>	<u>460,993</u>	<u>661,009</u>
Net book value			
At 31 March 2024	<u>101,274</u>	<u>36,307</u>	<u>137,581</u>
At 31 March 2023	<u>167,102</u>	<u>91,050</u>	<u>258,152</u>

The net book value of land and buildings may be further analysed as follows:

	2024 £	2023 £
Long leasehold	<u>101,274</u>	<u>167,102</u>

SPECIALIST WASTE RECYCLING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

12. Debtors

	2024	2023
	£	£
Trade debtors	6,224,206	6,993,605
Amounts owed by group undertakings	25,391,553	18,061,155
Other debtors	-	950
Prepayments and accrued income	222,702	233,752
Tax recoverable	19,695	19,695
	31,858,156	25,309,157

Balances owed by group undertakings are unsecured, non-interest bearing and repayable on demand.

13. Cash and cash equivalents

	2024	2023
	£	£
Cash at bank and in hand	377,246	1,679,718

14. Creditors: Amounts falling due within one year

	2024	2023
	£	£
Trade creditors	4,687,474	4,452,098
Amounts owed to group undertakings	3,746,849	3,746,849
Other taxation and social security	471,218	341,973
Lease liabilities (note 16)	50,379	48,115
Other creditors	637,313	547,763
Accruals and deferred income	4,375,200	4,061,858
	13,968,433	13,198,656

Amounts owed to group undertakings are unsecured, non-interest bearing and repayable on demand.

SPECIALIST WASTE RECYCLING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

15. Creditors: Amounts falling due after more than one year

	2024	2023
	£	£
Lease liabilities (note 16)	19,899	87,778

16. Leases

Company as a lessee

The Company has a lease contract for property which is used as its head office. The lease term is until 11th October 2025. The Company's obligations under this lease are secured by the lessor's title to the leased property.

The Company also leases vehicles which are on monthly rolling contracts. The company applies the 'short-term' lease recognition exemption for these leases. Amounts in relation to this are disclosed in note 5.

Future minimum lease payments for:

	2024	2023
	£	£
Within one year	52,500	52,500
Between 1-5 years	20,085	89,899
	72,585	142,399
Finance charges	(2,307)	(6,506)
	70,278	135,893

The present value of minimum lease payments is analysed as follows:

	2024	2023
	£	£
Within one year	50,379	48,115
Between 1-5 years	19,899	87,778
	70,278	135,893

SPECIALIST WASTE RECYCLING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

17. Share capital

	2024 £	2023 £
Authorised		
25,000,000 (2023 - 25,000,000) Ordinary shares of £0.10 each	<u>2,500,000</u>	<u>2,500,000</u>
Allotted, called up and fully paid		
24,302,507 (2023 - 24,302,507) Ordinary shares of £0.10 each	<u>2,430,251</u>	<u>2,430,251</u>

18. Reserves

Share premium account

The share premium at the beginning and end of the period was £7,354,369. There was no movement in share premium during the year.

Profit and loss account

The profit for the year is £4,424,058 (2023 - £5,416,211).

19. Controlling party

The immediate parent undertaking is Biffa Waste Services Limited, a company incorporated in England and Wales with a registered office of Coronation Road, Cressex, High Wycombe, Buckinghamshire, HP12 3TZ.

The Company's results are consolidated into the accounts of Biffa Holdco Limited, a company incorporated in England and Wales, whose registered office is Coronation Road, Cressex, High Wycombe, Buckinghamshire, HP12 3TZ. Biffa Holdco Limited is the parent company of the smallest and largest group in which the Company's results are consolidated. Copies of the consolidated financial statements can be obtained from the registered office.

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