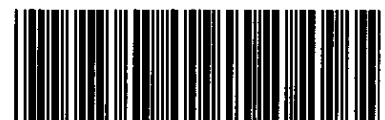

SYRACUSE WASTE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2023

THURSDAY



ACZDLVUY

A15

21/03/2024

#18

COMPANIES HOUSE

SYRACUSE WASTE LIMITED

COMPANY INFORMATION

Directors	P James (appointed 19 September 2023) S Parsons (appointed 31 March 2023, resigned 19 September 2023) R Pike (resigned 31 March 2023) M Topham
Company secretary	S Parsons
Registered number	13269384
Registered office	Coronation Road Cressex High Wycombe Buckinghamshire HP12 3TZ United Kingdom

SYRACUSE WASTE LIMITED

CONTENTS

	Page
Strategic Report	1 - 3
Directors' Report	4 - 6
Directors' Responsibilities Statement	7
Income Statement	8
Statement of Financial Position	9 - 10
Statement of Changes in Equity	11
Notes to the Financial Statements	12 - 30

SYRACUSE WASTE LIMITED

STRATEGIC REPORT FOR THE PERIOD ENDED 31 MARCH 2023

Introduction

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

Accounting reference date

These financial statements are for the 53 weeks ended 31 March 2023. The comparatives are for the period from the date of incorporation on 16 March 2021 to 25 March 2022. The financial statements for the subsequent financial period will be prepared for the 52 weeks ending 29 March 2024. The current period is longer than one year to align to the Group's reporting years ending on the last Friday in March. As a result, amounts presented in the financial statements are not entirely comparable.

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 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 the Group'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.

SYRACUSE WASTE LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2023

UN Sustainable Development Goals

Sustainable waste management is a key driver for improving environmental, health, social and financial outcomes. The Group plays 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 the Group's actions over the past two decades.

Our business has become more sustainable by:

- Improving the efficiency and emissions per tonne of waste in the Collections division.
- Broadening and enhancing our recycling and treatment capabilities.
- Reducing the scale of the landfill business.
- Utilising rail links to transport inert waste.
- Pioneering the transition to electric vehicles and alternative fuels.

In March 2020 the Group launched 'Resourceful, Responsible' a 10-year Sustainability Strategy. The strategy is aligned to the UN's Sustainable Development Goals, and is centred around three key pillars:

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

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 what the Group has achieved in the last 15 years, that 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.

Review of the period

During the current financial period the Company recorded revenues of £176.7M (2022: £77.4M) and a profit before tax of £20.5M (2022: £35.6M loss). The increase in revenue from the prior period was driven by volume increases across all divisions, combined with the impact of trading for the full period (FY22: 8 months trading). The increase in profit before tax was due to the revenue growth, plus the effect of there being no fair value adjustments in the period (2022: £36.2M). The net current liabilities of the Company fell from £55.8M to £36.0M and the net liabilities of the Company decreased from £31.7M to £11.7M primarily due to a reduction in the amounts owed to other Group companies. For a detailed review of the Company's position, refer to the Statement of Financial Position on page 9. When reviewing the business the Key Performance Indicators for management are as below:

	31 March 2023 £M	25 March 2022 £M	Movement £M
Revenue	176.7	77.4	99.3
Operating profit / (loss)	21.1	(35.8)	56.9
Profit / (loss) before tax	20.5	(35.6)	56.1
Net current liabilities	(36.0)	(55.8)	19.8
Net liabilities	(11.7)	(31.7)	20.0

The Company does not monitor any non-financial KPIs.

Future outlook

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

SYRACUSE WASTE LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2023

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, whether it be from either the sales or the cost side of the business. On an annual basis the Directors carry out a detailed internal risk assessment analysis on all aspects of the business.

Credit risk

The Company's principal financial assets are trade debtors and intercompany receivables. The Directors assess these receivable balances for recoverability based on an assessment of the individual counterparties and consider that the carrying value of the assets represents their recoverable amount.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Company primarily uses funding from other group companies. The Company holds borrowings due to Biffa Waste Services Limited, for which a timetable of repayments for interest and principal are agreed and cash balances managed accordingly to ensure these obligations are met.

Health and Safety

The waste management industry carries inherent health and safety risks and the Biffa Group is committed to keeping people, customers and the general public safe. Violations of H&S laws/regulations could have a material adverse effect on Biffa's business and reputation.

To mitigate 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 Balanced Business Plan and as one of the 5 pillars of being 'Safer Together'. Embedded policies, standards and procedures are in place across the Biffa Group for the systematic control of significant H&S risks. We have also maintained management system certification of ISO 45001:2018.

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 Group, it has applied the governance framework adopted by Biffa Limited and the matters that the Directors are responsible for considering under s.172 have been considered to an appropriate extent by the Biffa Limited Board (the "Board") in relation to both the Group and the Company. Further details of how the Board has considered the matters set out in s.172 (for the Group and the Company) are set out in the Biffa Limited Annual Report and Accounts 2023 (the "ARA 2023"), which does not form part of this report. During the year, the Directors have also considered, both individually and together, relevant matters where appropriate.

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


P James
Director

Date: 20 March 2024

SYRACUSE WASTE LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 MARCH 2023

The directors present their report and the financial statements for the period ended 31 March 2023.

Principal activity

The principal activity of the Company during the period was the provision of waste management services in the United Kingdom.

Results and dividends

The profit for the period, after taxation, amounted to £20 M (2022 - loss £32 M).

No ordinary dividends were paid (2022: £nil). The Directors do not recommend payment of a final dividend.

Directors

The directors who served during the period and up to the date of signature of the financial statements were as follows:

P James (appointed 19 September 2023)
S Parsons (appointed 31 March 2023, resigned 19 September 2023)
R Pike (resigned 31 March 2023)
M Topham

Secretary

During the period, S Parsons served as the Company secretary.

Principal risks and uncertainties

Information on financial exposure and risk management is disclosed within the Strategic Report on page 3.

Going concern

Syracuse Waste Limited operates services across all divisions within the Biffa Group.

The Company will continue to have sufficient funds, through funding from other companies within the Biffa Group, to meet its liabilities as they fall due. This is dependent on Biffa Waste Services Limited allowing continued use of a Group-wide banking facility and providing any additional financial support if required. The Biffa Group's debt structure includes £260m of private placements, a £235m term loan facility, and a rolling credit facility of £375m. As part of these agreements, the Group must ensure that its leverage ratio (Net Debt:Adjusted EBITDA) does not exceed 4.0x and that its interest cover does not exceed 3.5x, calculated in March and September.

The going concern assumption has been assessed by considering the performance of the Biffa Group throughout FY24 and FY25, considering a number of the principal risks. Cash flow forecasts indicate that the Group will maintain strong levels of net available liquidity throughout the next 12 months, meaning it would be able to fund a large one-off cash payment. It has sufficient headroom on both leverage ratio and interest cover to fund this through additional drawdowns from its rolling credit facility.

SYRACUSE WASTE LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2023

Going concern (continued)

Management have applied stress tests to determine the sensitivity of the assumptions used. In each case downside scenarios did not cause a breach of either leverage ratio or interest cover. They have also applied reverse stress tests to determine the extent to which key financial measures could worsen over the next 12 months before covenant limits are breached. The series of events that would need to occur simultaneously for such a scenario to materialise is considered to be remote. Should forecasted EBITDA and cash flow performance not materialise, the Group could carry out a number of cash improvement initiatives such as delaying capital expenditure, cancelling non-essential costs and working capital management. Should interest rates increase, the Group could enter into further interest rate swaps to reduce the exposure to any further adverse interest rate movements.

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 ongoing working capital and capital investment 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 12 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 12 months from the date these financial statements are signed and, therefore, have prepared the financial statements on a going concern basis.

Stakeholder engagement and sustainability

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.

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.

Post balance sheet events

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

SYRACUSE WASTE LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 MARCH 2023**

Audit exemption

For the period ended 31 March 2023, 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 of Biffa Limited which can be obtained from the registered office at Coronation Road, Cressex, High Wycombe, Buckinghamshire, HP12 3TZ.

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



P James
Director

Date: 20 March 2024

SYRACUSE WASTE LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE PERIOD ENDED 31 MARCH 2023

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

SYRACUSE WASTE LIMITED

**INCOME STATEMENT
FOR THE PERIOD ENDED 31 MARCH 2023**

	Note	53 weeks ended 31 March 2023 £M	<i>As restated Period ended 25 March 2022 £M</i>
Turnover	4	176.7	77.4
Cost of sales		(153.6)	(72.7)
Gross profit		23.1	4.7
Administrative expenses		(2.0)	(40.5)
Operating profit/(loss)	5	21.1	(35.8)
Interest receivable and similar income	6	-	0.6
Interest payable and similar expenses	7	(0.6)	(0.4)
Profit/(loss) before tax		20.5	(35.6)
Tax on profit/(loss)	9	(0.5)	3.9
Profit/(loss) for the financial period		20.0	(31.7)

There were no recognised gains and losses for 2023 or 2022 other than those included in the income statement.

The notes on pages 12 to 30 form part of these financial statements.

The pension charge and tax charge in the prior period have been restated as explained in note 2.16.

SYRACUSE WASTE LIMITED
REGISTERED NUMBER: 13269384

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023

		31 March 2023 £M	<i>As restated 25 March 2022 £M</i>
	Note		
Fixed assets			
Intangible assets		0.2	-
Tangible assets	10	38.8	41.3
		39.0	41.3
Current assets			
Stocks	11	1.2	1.1
Debtors: amounts falling due within one year	12	26.3	25.8
		27.5	26.9
Creditors: amounts falling due within one year	13	(63.5)	(82.7)
Net current liabilities		(36.0)	(55.8)
Total assets less current liabilities		3.0	(14.5)
Creditors: amounts falling due after more than one year	14	(11.1)	(13.5)
Provisions for liabilities	17	(3.6)	(3.7)
Net liabilities		(11.7)	(31.7)

SYRACUSE WASTE LIMITED
REGISTERED NUMBER: 13269384

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 MARCH 2023

		31 March 2023 £M	<i>As restated 25 March 2022 £M</i>
Capital and reserves			
Called up share capital	18	-	-
Profit and loss account		(11.7)	(31.7)
		<u>(11.7)</u>	<u>(31.7)</u>

The members have not required the Company to obtain an audit for the period 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:



P. James
Director

Date: 20 March 2024

The notes on pages 12 to 30 form part of these financial statements.

The tax charge, deferred tax asset, pension liability and amounts owed to group undertakings have been restated as explained in note 2.16.

SYRACUSE WASTE LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2023

	Called up share capital £M	Profit and loss account £M	Total equity £M
At incorporation	-	-	-
Loss for the period (as restated)	-	(31.7)	(31.7)
At 25 March 2022	-	(31.7)	(31.7)
Profit for the period	-	20.0	20.0
At 31 March 2023	-	(11.7)	(11.7)

The notes on pages 12 to 30 form part of these financial statements.

SYRACUSE WASTE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023

1. General information

Syracuse Waste Limited is a private company, limited by shares, incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales.

The principal activity of the Company during the period was the provision of waste management services in the United Kingdom.

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.

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).

The following principal accounting policies have been applied:

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 the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers
- 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 requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- 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.

This information is included in the consolidated financial statements of Biffa Limited as at 31 March 2023 and these financial statements may be obtained from the registered office at Coronation Road, Cressex, High Wycombe, Buckinghamshire. HP12 3TZ.

SYRACUSE WASTE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.3 Changes in accounting policies and disclosures

New and amended IFRS Standards that are effective for the current year

At the date of authorisation of these Financial statements, the below Standards and amendments are effective for reporting periods beginning after 1 January 2022, but have not impacted on the Company's reporting:

- Annual Improvements to IFRS Standard 2018-2020 Cycle: Amendments to IFRS 1 First time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IFRS 16 Leases, and IAS 41 Agriculture
- Amendments to IFRS 3 Business Combinations: References to the Conceptual Framework
- Amendments to IAS 16 Property, Plant and Equipment: Proceeds before intended use
- Amendments to IAS 37 Onerous Contracts: Cost of Fulfilling a Contract

The adoption of the Standards listed above did not have a material impact on the financial statements of the Company.

New standards and interpretations not yet effective

At the date of authorisation of these financial statements, the Company has not applied the following new and revised IFRS Standards that have been issued but are not yet effective and had not yet been adopted:

- IFRS 17 Insurance Contracts.
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current
- Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies
- Amendments to IAS 1: Noncurrent Liabilities with Covenants
- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates
- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to IFRS 16: Lease Liability in a Sale and Leaseback
- Amendments to IFRS 17: Initial Application of IFRS 17 and IFRS 9 – Comparative Information

The Directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Company in any future period.

SYRACUSE WASTE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.4 Going concern

Syracuse Waste Limited operates services across all divisions within the Biffa Group.

The Company will continue to have sufficient funds, through funding from other companies within the Biffa Group, to meet its liabilities as they fall due. This is dependent on Biffa Waste Services Limited allowing continued use of a Group-wide banking facility and providing any additional financial support if required. The Biffa Group's debt structure includes £260m of private placements, a £235m term loan facility, and a rolling credit facility of £375m. As part of these agreements, the Group must ensure that its leverage ratio (Net Debt:Adjusted EBITDA) does not exceed 4.0x and that its interest cover does not exceed 3.5x, calculated in March and September.

The going concern assumption has been assessed by considering the performance of the Biffa Group throughout FY24 and FY25, considering a number of the principal risks. Cash flow forecasts indicate that the Group will maintain strong levels of net available liquidity throughout the next 12 months, meaning it would be able to fund a large one-off cash payment. It has sufficient headroom on both leverage ratio and interest cover to fund this through additional drawdowns from its rolling credit facility.

Management have applied stress tests to determine the sensitivity of the assumptions used. In each case downside scenarios did not cause a breach of either leverage ratio or interest cover. They have also applied reverse stress tests to determine the extent to which key financial measures could worsen over the next 12 months before covenant limits are breached. The series of events that would need to occur simultaneously for such a scenario to materialise is considered to be remote. Should forecasted EBITDA and cash flow performance not materialise, the Group could carry out a number of cash improvement initiatives such as delaying capital expenditure, cancelling non-essential costs and working capital management. Should interest rates increase, the Group could enter into further interest rate swaps to reduce the exposure to any further adverse interest rate movements.

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 ongoing working capital and capital investment 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 12 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 12 months from the date these financial statements are signed and, therefore, have prepared the financial statements on a going concern basis.

SYRACUSE WASTE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.5 Revenue recognition

Revenue represents the fair value of goods and services delivered to customers in the normal course of business, net of trade discounts and VAT. The five-step model is used in determining when 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.

Waste collection revenue

Revenue is recognised at a point in time when the waste is delivered to transfer stations or to a third party. The transaction price is based on contractually pre agreed prices for collecting and processing the waste. Due to the short time between start and completion of the performance obligations (usually on the same day), the revenue recognition and the allocation of the transaction price over performance obligations is usually straightforward and dependent on the daily collection and processing of waste.

Revenue from sale of recyclate materials

The Company collects various waste materials, some of which are general waste and some of which are recyclable materials. The recyclable materials are generally co-mingled and as such then have to be separated into individual recyclate streams ready for resale. Recyclate revenues are measured at the agreed transaction price per tonne of recyclate under the contract with the customer. Revenue recognition occurs when control over the recyclate assets has been transferred and therefore the performance obligation is satisfied at the point in time of collection by the customer.

2.6 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. [Provide an explanation how the incremental borrowing rate is determined].

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 Company did not make any such adjustments during the periods presented.

SYRACUSE WASTE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.6 Leases (continued)

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 'Intangible Assets', 'Tangible Fixed Assets' and 'Investment Property' lines, as applicable, 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.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has used this practical expedient.

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.

SYRACUSE WASTE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.9 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.10 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.

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:

Land and buildings	- length of lease
Plant and machinery	- 4 to 20 years

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.

SYRACUSE WASTE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.11 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.12 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

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.

2.14 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

SYRACUSE WASTE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.15 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 amortised cost.

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.

SYRACUSE WASTE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.16 Restatement of prior period

In the prior period, the Viridor Group hived down its collections business and certain recycling assets into the Company in exchange for an intercompany payable equal to the book value of the assets transferred. The Company was also sold to Biffa Waste Services Limited, with the outstanding intercompany payable transferring as part of the transaction.

The assets and liabilities assumed by the Company on hive down were accounted for as a business combination at fair value. A deferred tax asset of £5.2m was included in the book value of net assets acquired, rather than within fair value adjustments. The prior period has been restated to correct this. As a result, the Company has reduced the tax charge in the income statement by £5.2m, with a corresponding reduction of amounts owed to group undertakings.

During the period, it was determined that the Defined Benefit Pension Scheme which had previously been recognised within the Company should have been recognised in Biffa Waste Services Limited. The prior period has been restated to correct this.

The net impact on loss after tax is £5.1m. Below is a summary of the changes as a result of the above two restatements:

	25 March 2022 as reported £M	Deferred tax on hive down £M	Defined Benefit pension scheme £M	25 March 2022 as restated £M
Loss before tax	(35.8)	-	0.2	(35.6)
Tax credit / (charge)	(1.0)	5.2	(0.3)	3.9
Loss after tax	(36.8)	5.2	(0.1)	(31.7)
Other comprehensive income	(0.8)	-	0.8	-
Deferred tax asset	3.8	-	0.1	3.9
Amounts owed to group undertakings	(56.0)	5.2	0.1	(50.7)
Defined benefit obligation	(0.5)	-	0.5	-

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

The preparation of financial statements in conformity with 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.

SYRACUSE WASTE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2023**

4. Turnover

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

	53 weeks ended 31 March 2023 £M	<i>Period ended 25 March 2022 £M</i>
Collections	127.7	57.5
Resources & Energy	39.1	15.0
Specialist Services	9.9	4.9
	<u>176.7</u>	<u>77.4</u>

All turnover arose within the United Kingdom.

5. Operating profit/(loss)

The operating profit/(loss) is stated after charging:

	53 weeks ended 31 March 2023 £M	<i>Period ended 25 March 2022 £M</i>
Staff expenses	33.9	17.5
Utilisation of inventory	11.1	4.2
Expected credit loss recognised with third parties	0.3	0.3
Expected credit loss recognised with Biffa Group	-	0.1
Adjusting items	-	36.2
Depreciation of tangible fixed assets	5.3	1.7
Amortisation of intangible assets	0.2	-

The Defined Benefit pension cost in the prior period has been restated as explained in note 2.16.

6. Interest receivable

	53 weeks ended 31 March 2023 £M	<i>Period ended 25 March 2022 £M</i>
Other interest receivable	-	0.6
	<u>-</u>	<u>0.6</u>

SYRACUSE WASTE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2023

7. Interest payable and similar expenses

	53 weeks ended 31 March 2023 £M	<i>Period ended 25 March 2022 £M</i>
Bank interest payable	0.2	<i>0.1</i>
Interest on lease liabilities	0.4	<i>0.3</i>
	0.6	<i>0.4</i>

8. Employees

Staff costs were as follows:

	53 weeks ended 31 March 2023 £M	<i>Period ended 25 March 2022 £M</i>
Wages and salaries	29.5	<i>15.3</i>
Social security costs	3.1	<i>1.5</i>
Other pension costs	1.1	<i>0.6</i>
Redundancy and termination payments	0.2	<i>0.1</i>
	33.9	<i>17.5</i>

Directors' emoluments during the current and prior periods were paid by Biffa Limited and no amounts were allocated to the Company.

Staff involved in the Company's activities are all employees of Biffa Waste Services Limited, a fellow subsidiary of Biffa Limited; there are no other employees. The cost of these staff, along with the cost of other services provided by Biffa Waste Services, is recharged to the Company.

The Defined Benefit pension cost in the prior period has been restated as explained in note 2.16.

SYRACUSE WASTE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2023**

9. Taxation

	53 weeks ended 31 March 2023 £M	<i>As restated Period ended 25 March 2022 £M</i>
Deferred tax		
Origination and reversal of timing differences	(0.4)	(3.0)
Changes to tax rates	(0.1)	(0.9)
Prior period adjustment	1.0	-
Total deferred tax	<u>0.5</u>	<u>(3.9)</u>
Taxation on profit/(loss) on ordinary activities	<u>0.5</u>	<u>(3.9)</u>

The tax charge and deferred tax asset in the prior period have been restated as explained in note 2.16.

Factors affecting tax charge for the period

The tax assessed for the period is lower than (2022 - lower than) the standard rate of corporation tax in the UK of 19% (2022 - 19%). The differences are explained below:

	53 weeks ended 31 March 2023 £M	<i>As restated Period ended 25 March 2022 £M</i>
Profit/(loss) on ordinary activities before tax	<u>20.5</u>	<u>(35.6)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2022 - 19%)	3.9	(6.8)
Effects of:		
Expenses not deductible for tax purposes	0.4	3.3
Adjustments to tax charge in respect of prior periods	1.0	-
Effect of superdeduction	(0.1)	(0.9)
Effect of change in tax rate	(0.1)	0.5
Group relief	(4.6)	-
Total tax charge for the period	<u>0.5</u>	<u>(3.9)</u>

SYRACUSE WASTE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2023**

9. Taxation (continued)

Factors that may affect future tax charges

The Finance Act 2021, which provides for an increase in the main rate of corporation tax from 19% to 25% effective from 1 April 2023, was enacted on 24 May 2021. As deferred tax assets and liabilities are measured at the rate that are expected to apply in the periods of 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.

10. Tangible fixed assets

	Long-term leasehold property £M	Plant and machinery £M	Total £M
Cost or valuation			
At 26 March 2022	27.1	15.9	43.0
Additions	2.2	3.5	5.7
Transfers intra group	(2.6)	(1.3)	(3.9)
Reclassifications	(4.7)	5.9	1.2
At 31 March 2023	<u>22.0</u>	<u>24.0</u>	<u>46.0</u>
Depreciation			
At 26 March 2022	0.7	1.0	1.7
Charge for the period on owned assets	-	4.0	4.0
Charge for the period on right-of-use assets	1.3	-	1.3
Transfers intra group	(0.1)	(0.9)	(1.0)
Reclassifications	1.2	-	1.2
At 31 March 2023	<u>3.1</u>	<u>4.1</u>	<u>7.2</u>
Net book value			
At 31 March 2023	<u>18.9</u>	<u>19.9</u>	<u>38.8</u>
At 25 March 2022	<u>26.4</u>	<u>14.9</u>	<u>41.3</u>

SYRACUSE WASTE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2023**

10. Tangible fixed assets (continued)

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

	31 March 2023 £M	<i>25 March 2022 £M</i>
Long leasehold	18.9	26.4
	<u>18.9</u>	<u>26.4</u>

The net book value of owned and leased assets included as "Tangible fixed assets" in the Statement of Financial Position is as follows:

	31 March 2023 £M	<i>25 March 2022 £M</i>
Tangible fixed assets owned	28.4	30.6
Right-of-use tangible fixed assets	10.4	10.7
	<u>38.8</u>	<u>41.3</u>

Information about right-of-use assets is summarised below:

Net book value

	31 March 2023 £M	<i>25 March 2022 £M</i>
Property	10.4	10.3
Plant and machinery	-	0.4
	<u>10.4</u>	<u>10.7</u>

Depreciation on right-of-use assets was charged as follows:

	31 March 2023 £M	<i>25 March 2022 £M</i>
Property	1.3	0.6
Plant and machinery	-	0.9
	<u>1.3</u>	<u>1.5</u>

SYRACUSE WASTE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2023**

11. Stocks

	31 March 2023 £M	<i>25 March 2022 £M</i>
Raw materials and consumables	1.2	<i>1.1</i>
	1.2	<i>1.1</i>

12. Debtors

	31 March 2023 £M	<i>As restated 25 March 2022 £M</i>
Trade debtors	9.4	<i>9.1</i>
Amounts owed by group undertakings	7.2	<i>6.6</i>
Prepayments and accrued income	6.3	<i>6.2</i>
Deferred taxation (note 16)	3.4	<i>3.9</i>
	26.3	<i>25.8</i>

The deferred tax asset in the prior period has been restated as explained in note 2.16.

SYRACUSE WASTE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2023

13. Creditors: Amounts falling due within one year

	31 March 2023 £M	<i>As restated</i> 25 March 2022 £M
Trade creditors	0.6	1.7
Amounts owed to group undertakings	40.8	50.7
Other taxation and social security	-	1.4
Lease liabilities (note 15)	1.3	3.0
Accruals and deferred income	12.8	15.9
Contract liabilities	8.0	10.0
	63.5	82.7

Amounts due to Group undertakings are unsecured, non-interest bearing and repayable on demand.

The contract liabilities primarily relate to the advance consideration received from customers in respect of performance obligations which have not yet been fully satisfied and for which revenue has not been recognised. All contract liabilities held at 31 March 2023 are expected to satisfy performance obligations in the next 12 months.

Amounts owed to group undertakings in the prior period has been restated as explained in note 2.16.

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

	31 March 2023 £M	25 March 2022 £M
Lease liabilities (note 15)	11.1	13.5
	11.1	13.5

SYRACUSE WASTE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2023

15. Leases

Company as a lessee

Lease liabilities are due as follows:

	2023	2022
	£M	£M
Not later than one year	1.3	3.0
1-2 yrs	3.5	5.5
>5 yrs	7.6	8.0
	<u>12.4</u>	<u>16.5</u>

Contractual undiscounted cash flows are due as follows:

	31 March	25 March
	2023	2022
	£M	£M
Within one year	1.8	3.4
Between 1-5 years	5.0	6.9
Over 5 years	18.4	18.1
	<u>25.2</u>	<u>28.4</u>
Less: future finance charges	(12.8)	(11.9)
	<u>12.4</u>	<u>16.5</u>

SYRACUSE WASTE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2023**

16. Deferred taxation

	2023 £M
At beginning of year	3.9
Utilised in year	(0.5)
At end of year	3.4

The deferred tax asset is made up as follows:

	31 March 2023 £M	<i>25 March 2022 £M</i>
Accelerated capital allowances	2.9	3.9
Other timing differences	0.5	-
	3.4	3.9

The deferred tax asset in the prior period has been restated as explained in note 2.16.

17. Provisions

	Onerous Contract provision £M	Dilapidations provision £M	Other provisions £M	Total £M
At 26 March 2022	0.3	3.3	0.1	3.7
Charged to profit or loss	-	0.1	-	0.1
Utilised in period	(0.1)	-	(0.1)	(0.2)
At 31 March 2023	0.2	3.4	-	3.6

Dilapidations

Dilapidations arise on leased items where the Company recognises an obligation in order to return these items to their original condition as at the inception of the lease.

Onerous contracts

The Company recognises an onerous contract provision for any unavoidable net loss arising from contracts. The Company reviews its onerous contract provisions at each reporting date and whenever there is a material change in management's expectations of the contract.

SYRACUSE WASTE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023

18. Share capital

	31 March 2023 £M	25 March 2022 £M
Authorised, allotted, called up and fully paid		
1 (2022 - 1) Ordinary share of £1.00	-	-

19. Subsidiary undertakings

The following are subsidiary undertakings of the Company. All subsidiary undertakings have a financial year coterminous with the Company and a registered office address of Coronation Road, Cressex, High Wycombe, Buckinghamshire, HP12 3TZ, United Kingdom.

Name	Registered Office	Activity	Holding
Biffa (Corby) Limited*	England and Wales	Dormant	100%
Biffa (Earls Barton) Limited	England and Wales	Dormant	100%
Biffa (West Sussex) Recycling Limited*	England and Wales	Waste Management	100%
Lavelle & Sons Limited*	England and Wales	Dormant	100%

* Directly held by Syracuse Waste Limited

20. Controlling party

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

The Company's results are consolidated into the accounts of Biffa Limited, a company incorporated in England and Wales, whose registered office is Coronation Road, Cressex, High Wycombe, Buckinghamshire, HP12 3TZ. Biffa 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 and online at <https://www.biffa.co.uk/our-sustainablebusiness/aboutus/annual-report>.

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