WASTEINVESTMENTS LLP

ANNUAL REPORT AND ACCOUNTS

FOR THE 52 WEEKS ENDED

1 APRIL 2011

Registration Number: OC334618

WASTEINVESTMENTS LLP

REPORT AND FINANCIAL STATEMENTS

For the 52 weeks ended 1 April 2011

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WASTEINVESTMENTS LLP

REPORT OF THE MEMBERS

For the 52 weeks ended 1 April 2011

Management Board (appointed by the Lead Members)

Mark Dunfoy	(appointed by Montagu)
Jason Gatenby	(appointed by Montagu)
Matthew Harris	(appointed by GIP)
Bill Woodburn	(appointed by GIP)

Designated Members

HSBC Global Trustee Custody Nominee (UK) Limited
GIP Bravo Holdings (Cayman) Limited

Auditors

Deloitte LLP
Chartered Accountants and Registered Auditors
London
United Kingdom

Solicitors

Linklaters
One Silk Street
London EC2Y 8HQ

Registered Office

Coronation Road
Cressex
High Wycombe
Buckinghamshire HP12 3TZ

MEMBERS REPORT

The Management Board present the report and audited financial statements for WasteInvestments LLP on behalf of the Members for the 52 week period ended 1 April 2011

The financial statements consolidate the accounts of WasteInvestments LLP and all its subsidiary undertakings (the Group)

LEGAL STRUCTURE

The legal structure of the LLP is as stated in the WasteInvestments Limited Liability Partnership Agreement (dated 17 April 2008)

PRINCIPAL ACTIVITIES

WasteInvestments LLP is the holding company for a group of companies (the "Biffa Group") whose principal activities are the provision of integrated waste management services comprising waste collection, treatment and recycling and disposal services to local & national customers in the industrial, commercial & municipal sectors with the majority of its trading being in the United Kingdom

FINANCING

WasteInvestments LLP is financed through members' capital and the ongoing results arising out of its principal activities

GOING CONCERN STATEMENT

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Business Review in the accounts of Biffa Group Limited on pages 2 to 4 The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in the Financial Review in the accounts of Biffa Group Limited on pages 4 to 5 In addition, note 16 to the financial statements includes the Group's objectives, policies and processes for managing its capital, its financial risk management objectives, details of its financial instruments and hedging activities, and its exposures to credit risk and liquidity risk

The following factors have been considered as part of the Group's going concern review

- Liquidity - the Group has considerable financial resources in the form of long term committed borrowing facilities (detailed in note 16 to the financial statements)

- Covenants - the Group is required to comply with certain covenants under both the Senior Finance and Mezzanine debt facilities With reference to this, the Group's forecasts and projections have been reviewed

- Contracts - the Group has a large number of contracts with its customers and suppliers across different industries This includes long-term municipal and integrated waste management contracts (detailed in note 28 to the financial statements)

After reviewing the above and taking into account current and future developments as discussed in the Business Review in the accounts of Biffa Group Limited, the directors have a reasonable expectation that the company, and the Group, are well placed to manage its business risks successfully, despite the current uncertain economic outlook, and have adequate resources to continue in operational existence for the foreseeable future Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts

REPORT OF THE MEMBERS (CONTINUED)

MEMBERS' CAPITAL CONTRIBUTIONS

Members' drawings and the subscription and repayment of capital are subject to the provisions of the Investment Agreement and the Limited Liability Partnership Agreement between the members

Allocation of profits to the members and cash available for distribution is made in accordance with the terms of the Limited Liability Partnership Agreement Cash available for distribution to the members is determined by the Management Board after determining what is reasonably necessary for use in the operation and management of the LLP and what is required in order to meet its various obligations It is the policy of the LLP not to permit drawings by members until the LLP has discharged its obligations under the external financing arrangements under which loans are made to the LLP Group by third party lenders and the capital expenditure requirements of the wider group have been satisfied

Any calls in respect of reserved subscriptions shall be determined by the Lead Investors in accordance with the terms of the Investment Agreement and the Management Board in accordance with the terms of the Limited Liability Partnership Agreement

Unless otherwise agreed in accordance with the Investment Agreement, it is not anticipated that (other than repayment to employees in accordance with the Good Leaver/Bad Leaver provisions of the EBT) repayment of capital to members will occur until the underlying investments of the LLP have been realised

MEMBERS' RESPONSIBILITIES STATEMENT

The members are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

The Limited Liability Partnership Regulations 2001 made under the Limited Liability Partnerships Act 2000 requires the members to prepare financial statements for each financial year Under that law the members have elected to prepare the Group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and to prepare the parent partnership financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) Under that law, the members must also not approve the financial statements unless they are satisfied that that they give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for that period

In preparing the parent partnership financial statements, the members are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the partnership will continue in business

In preparing the Group financial statements, International Accounting Standard 1 requires that members

- properly select and apply accounting policies,
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information,
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance, and
- make an assessment of the Group's ability to continue as a going concern

The members are responsible for keeping proper accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the financial statements comply with the Companies Act 2006, as applicable to limited liability partnerships They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

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

These responsibilities are exercised by the Management Board on behalf of the members

For and on behalf of Management Board

MARK DUNFOY
Designated Member

21 June 2011

WASTEINVESTMENTS LLP
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WASTEINVESTMENTS LLP
For the 52 weeks ended 1 April 2011

We have audited the financial statements of WasteInvestments LLP for the 52 week period ended 1 April 2011 which comprise the Group Income Statement, the Partnership Profit and Loss Account, the Group and Partnership Statement of Financial Position, the Group and Partnership Statement of Cash Flows, the Group Statement of Comprehensive Income, the Group Statement of Changes in Equity and the related notes 1 to 29 and P1 to P7 The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union The financial reporting framework that has been applied in the preparation of the parent partnership financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the limited liability partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 Our audit work has been undertaken so that we might state to the limited liability partnership's members those matters we are required to state to them in an auditor's report and for no other purpose To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the limited liability partnership and the limited liability partnership's members as a body, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of members and auditors

As explained more fully in the Members' Responsibilities Statement, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the Group's and the parent partnership's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the designated members, and the overall presentation of the financial statements

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Group's and the parent partnership's affairs as at 1 April 2011 and of the Group's and the parent partnership's loss for the period then ended,
- of the Group have been properly prepared in accordance with IFRSs as adopted by the European Union,
- of the parent partnership have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006, as applicable to limited liability partnerships

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept by the parent partnership, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent partnership financial statements are not in agreement with the accounting records and returns, or
- we have not received all the information and explanations we require for our audit

Steph Griggs

Stephen Griggs (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
London, United Kingdom
21 June 2011

WASTEINVESTMENTS LLP
CONSOLIDATED INCOME STATEMENT
For the 52 weeks ended 1 April 2011

	Notes	52 weeks ended 1 April 2011 Ordinary activities before exceptional items £m	Exceptional items £m (note 3)	Ordinary activities after exceptional items £m	53 weeks ended 2 April 2010 £m (restated – note 1)
Revenue	2	775 1	-	775.1	701 9
Cost of sales		(716 8)	-	(716.8)	(626 3)
Gross profit		**58.3**	-	**58.3**	75 6
Distribution costs		(22.6)	-	(22.6)	(15 3)
Administrative expenses	3	(27.8)	(29.0)	(56.8)	(31 7)
Operating profit	2	7.9	(29.0)	(21.1)	28 6
Share of post tax results of joint ventures	12	-	-	-	1 1
Finance income	4	5.4	-	5.4	2 2
Finance charges	4	(118.3)	-	(118.3)	(101 8)
Loss before taxation and members' remuneration	6	(105.0)	(29.0)	(134 0)	(69 9)
Taxation	8	18.0	5.0	23 0	38 9
Loss for the period before members' remuneration		(87.0)	(24.0)	(111.0)	(31 0)
Members' remuneration charged as an expense	20	(145.9)	-	(145.9)	(82 8)
Loss for the period attributable to the members of WasteInvestments LLP		(232.9)	(24 0)	(256.9)	(113 8)

All the amounts above relate to continuing operations and are attributable to the members of WasteInvestments LLP

Administrative expenses in the period ended 2 April 2010 included £7 5m of exceptional items (related tax credit of £2 0m)

WASTEINVESTMENTS LLP
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the 52 weeks ended 1 April 2011

	52 weeks ended 1 April 2011 £m	53 weeks ended 2 April 2010 £m (restated – note 1)
Loss for the period	(256.9)	(113 8)
Other comprehensive income		
Actuarial gains on defined benefit pension scheme	0.4	15 5
Net gain on cash flow hedge	33.8	11 4
Adjustment from change in accounting policy (IFRIC 12 - note 1)	(0.7)	(1 5)
Deferred tax charge arising on		
Net gain on cash flow hedge	(9.6)	(3 2)
Actuarial gains on defined benefit pension scheme	(0.2)	(4 3)
Other comprehensive income for the period, net of tax	23.7	17 9
Total comprehensive income for the period	(233.2)	(95 9)

WASTEINVESTMENTS LLP
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 1 April 2011

	Notes	**As at 1 April 2011 £m**	As at 2 April 2010 £m (restated – note 1)	As at 27 March 2009 £m (restated – note 1)
Assets				
Non-current assets				
Goodwill	*9*	**990.4**	938 2	937.2
Other intangible assets	*10*	**178.9**	163 7	179.5
Property, plant and equipment	*11*	**644.1**	612 0	617.1
Interest in joint ventures	*12*	**-**	-	0.6
Retirement benefit obligations	*24*	**19.0**	11 1	-
		1,832.4	1,725 0	1,734 4
Current assets				
Inventories	*13*	**4.2**	2 4	2.5
Trade and other receivables	*14*	**155.7**	119 3	145.5
Current tax assets		**-**	-	4.5
Financial assets	*16*	**27 6**	25 3	28.0
Cash and cash equivalents	*15*	**99.1**	113 8	106 0
		286.6	260 8	286 5
Current liabilities				
Financial liabilities – borrowings	*16*	**(24.3)**	(23 4)	(15.7)
Derivative financial liabilities	*16*	**(4.2)**	(37 5)	(49.5)
Trade and other payables	*17*	**(210.1)**	(194 8)	(165.8)
Current tax liabilities		**(0.7)**		
Provisions	*18*	**(18 5)**	(16 4)	(17.6)
Total current liabilities		**(257.8)**	(272 1)	(248.6)
Net current assets /(liabilities)		**28.8**	(11 3)	37.9
Non-current liabilities				
Financial liabilities – borrowings	*16*	**(1,035.3)**	(964 7)	(979.1)
Non-current provisions	*18*	**(56.4)**	(50 3)	(45 2)
Deferred tax liabilities	*19*	**(71.5)**	(79 5)	(106.9)
Retirement benefit obligations	*24*	**-**	-	(8.8)
Total non-current liabilities		**(1,163.2)**	(1,094 5)	(1,140.0)
Net assets attributable to members		**698.0**	619 2	632.3
REPRESENTED BY:				
Members interests classified as non-current liabilities under IAS 32				
Class B partnership interest		**(849 0)**	(749 8)	(681.1)
Class C partnership interest		**(132.3)**	(107 8)	(93.7)
Class D partnership interest		**(188.5)**	-	-
Total membership interests represented as debt	*16,20*	**(1,169.8)**	(857 6)	(774 8)
Net liabilities		**(471.8)**	(238 4)	(142 5)
Class A Partnership Equity		**10.4**	10 4	10.4
Hedging Reserve		**(3.8)**	(28 0)	(36.2)
Retained Loss		**(478.4)**	(220 8)	(116.7)
Total members' deficit	*20*	**(471.8)**	(238 4)	(142 5)

The financial statements of WasteInvestments LLP, registered number OC334618, on pages 7 to 53 were approved by the board and signed on its behalf

MARK DUNFOY **Designated member**
21 June 2011

WASTEINVESTMENTS LLP
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
At 1 April 2011

	Class A Partnership Equity £m	Hedging Reserves £m	Retained Earnings £m	Total Equity £m
At 27 March 2009	**10.4**	**(36 2)**	**(121.0)**	**(146 8)**
Adjustment from change in accounting policy (IFRIC 12 – note 1)	-	-	4 3	4 3
At 27 March 2009 (restated – note 1)	**10 4**	**(36 2)**	**(116.7)**	**(142.5)**
Loss for the period	-	-	(113 8)	(113 8)
Other comprehensive income for the period	-	8 2	11 2	19 4
Adjustment from change in accounting policy (IFRIC 12 – note 1)	-	-	(1 5)	(1 5)
Total comprehensive income for the period	-	8 2	(104 1)	(95 9)
At 2 April 2010 (restated – note 1)	**10.4**	**(28.0)**	**(220.8)**	**(238.4)**
Acquisition of non controlling interest	-	-	(0 2)	(0 2)
Loss for the period	-	-	(256 9)	(256 9)
Other comprehensive income for the period	-	24 2	(0 5)	23 7
Total comprehensive income for the period	-	24 2	(257 4)	(233 2)
At 1 April 2011	**10.4**	**(3 8)**	**(478.4)**	**(471.8)**

'WASTEINVESTMENTS LLP
'CONSOLIDATED STATEMENT OF CASH FLOWS
For the 52 weeks ended 1 April 2011

	Notes	**52 weeks ended 1 April 2011 £m**	53 weeks ended 2 April 2010 £m
Cash flows from operating activities			
Cash generated from operations	*21*	**87 8**	188 7
Restructuring, exceptional and acquisition costs		**(9.7)**	(8 7)
Additional pension contributions		**-**	-
Interest received		**1.0**	2 1
Interest paid		**(74.4)**	(76 8)
Tax received		**4.4**	10 8
Net cash from operating activities		**9.1**	116 1
Cash flows from investing activities			
Acquisition of subsidiary (net of cash acquired)		**(91.0)**	0 2
Repayment of external loans acquired		**(16.1)**	-
Payment of professional fees incurred on acquisition of subsidiary		**(18.7)**	-
Purchases of property, plant and equipment		**(74.0)**	(82 6)
Proceeds from the sale of property, plant and equipment		**5 0**	1 3
Dividend received		**-**	1 0
Net cash used in investing activities		**(194.8)**	(80 1)
Cash flows from financing activities			
Capital contributions by members		**166.2**	-
Finance lease principal payments		**(6.1)**	(0 9)
Drawdown of borrowings		**50 0**	-
Repayment of borrowings		**(39 1)**	(27 3)
Net cash flow from financing activities		**171.0**	(28 2)
Net (decrease)/increase in cash and cash equivalents		**(14.7)**	7 8
Cash and cash equivalents at beginning of period		**113.8**	106 0
Cash and cash equivalents at end of period		**99.1**	113 8

Operating cash flow		
Cash generated from operations	**87.8**	188 7
Dividend received from JV arrangements	**-**	1 0
Proceeds from the sale of property, plant and equipment	**5.0**	1 3
Purchase of property, plant and equipment	**(74.0)**	(82 6)
Restructuring and exceptional cost payments	**(9.7)**	(8 7)
Tax refunds (relating to post acquisition period)	**4.4**	10 8
Operating cash flow (note i)	**13.5**	110 5

(i) Operating cash flow is defined as the cash generated from operations plus the proceeds from the sale of property, plant and equipment, dividend income from joint venture arrangements and tax refunds less any capital expenditure, restructuring and exceptional costs and tax payments

WASTEINVESTMENTS LLP
ACCOUNTING POLICIES

a) Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) The financial statements have also been prepared in accordance with IFRSs adopted by the European Union (EU) and therefore the Group financial statements comply with Article 4 of the EU IAS regulation The financial statements have been prepared under the historical cost convention as modified by the revaluation of financial assets and liabilities at fair value through the income statement, and on a going concern basis (as discussed below)

WasteInvestments LLP is a Limited Liability Partnership incorporated in the United Kingdom under the Limited Liability Partnerships Act 2000 The address of the registered office is Coronation Road, High Wycombe, Buckinghamshire, HP12 3TZ The nature of the Group's operations and its principal activities are set out in note 1 and in the Report of the Members on pages 2 to 5

These financial statements have been prepared in accordance with the accounting policies, set out below The preparation of financial statements in conformity with generally accepted accounting policies requires the use of certain critical accounting estimates It also requires management to exercise its judgement in the process of applying the Group's accounting policies Although these judgements and estimates are based on management's best knowledge of the amount, event or actions, actual results may ultimately differ from these Further detail on accounting estimates, assumptions and uncertainties can be found on page 20

During 2010/11, the International Accounting Standard Board (IASB) and International Financial Reporting Interpretations Committee (IFRIC) issued additional accounting standards and interpretations which are effective for periods starting after the date of this financial information Full detail of these, along with new and revised standards which were adopted by the Group in the period, can be found in note 1

b) Going concern

The following factors have been considered as part of the Group's going concern review

- Liquidity - the Group has considerable financial resources in the form of long term committed borrowing facilities (detailed in note 16 to the financial statements)

- Covenants - the Group is required to comply with certain covenants under both the Senior Finance and Mezzanine debt facilities With reference to this, the Group's forecasts and projections have been reviewed

- Contracts - the Group has a large number of contracts with its customers and suppliers across different industries This includes long-term municipal and integrated waste management contracts (detailed in note 28 to the financial statements)

After reviewing the above and taking into account current and future developments as discussed in the Business Review in the accounts of Biffa Group Limited, the directors have a reasonable expectation that the company, and the Group, are well placed to manage its business risks successfully, despite the current uncertain economic outlook, and have adequate resources to continue in operational existence for the foreseeable future Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts

c) Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method The consideration for each acquisition is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree Acquisition-related costs are recognised in profit or loss as incurred

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments (see below) All other subsequent changes in the fair value of contingent consideration classified as an asset or liability are accounted for in accordance with relevant IFRSs Changes in the fair value of contingent consideration classified as equity are not recognised

Where a business combination is achieved in stages, the Group's previously-held interests in the acquired entity are remeasured to fair value at the acquisition date (i e the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of

c) Business combinations (continued)
The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3(2008) are recognised at their fair value at the acquisition date, except that

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively,
- liabilities or equity instruments related to the replacement by the Group of an acquiree's share-based payment awards are measured in accordance with IFRS 2 Share-based Payment, and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date, and is subject to a maximum of one year

d) Basis of consolidation
The consolidated financial statements include the financial statements of WasteInvestments LLP and the entities controlled by it (its subsidiaries) made up to 1 April 2011 Control is achieved when WasteInvestments LLP has the power to govern the financial and operating policies of an invested entity so as to obtain benefits from its activities

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the group All intra-group transactions, balances, income and expenses are eliminated on consolidation

The results of joint venture undertakings are accounted for in the consolidated financial statements on an equity basis where the Group has exercised joint control under a contractual arrangement

e) Revenue
Revenue represents the income receivable excluding value added tax, trade discounts and intercompany sales, in the ordinary course of business for goods and services provided Revenue is measured at the fair value of consideration received

Revenue is recognised at the point when service has been performed Within the I&C division this will be on completion of each container lift, or in accordance with the contract bill of quantities with respect to Municipal contracts For Processing & Recycling and Landfill & Treatment, revenue will be recognised on receipt of waste, whilst for the Energy from Waste division it is recognised on the measured supply of power

Revenue is not recognised until the services have been provided to the customer Interest income is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable

f) Operating profit
Operating profit is stated after charging operating expenses against revenue recognised in the period but before the share of results of joint ventures, finance charges and finance income

g) Operating exceptional items
Items that are either material in size or non-operating in nature are presented as operating exceptional items in the income statement within operating profit The members are of the opinion that the separate recording of operating exceptional items provides helpful information about the Group's underlying business performance Example of events which may give rise to the classification of items as exceptional include restructuring of businesses, gains or losses on disposal of properties, impairment of goodwill and material non-recurring income or expenditure

h) Segmental reporting

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Chief Executive to allocate resources to the segments and to assess their performance

As discussed in the Directors' Report, the operating divisions have been reorganised in the year, following the acquisition of the Greenstar group The new structure follows the five strategic pillars of the business, and moved the business towards a more divisional organisational structure

The Group's reportable segments under IFRS 8 are therefore as follows

- I&C Collection - provides waste collection services to industrial and commercial waste producers
- Municipal – provides waste collection services to municipal council customers
- Processing & Recycling – provides recycling services including plastic, metal, paper, card and wood
- Landfill & Treatment – provides waste treatment and disposal services for all customers
- Energy from Waste - utilises the landfill gas from the Company's landfill sites, food waste in the Company's anaerobic digestion capacity, as well as manufacturing refuse derived fuels to generate 'green' power for sale in the energy market

Information reported to the Group's Chief Executive, for the purposes of resource allocation and assessment of segment performance, is more specifically focussed on one particular measure ('EBITDAP') which is not directly reported in the statutory accounts As such, analysis of profitability in note 2 is focussed on EBITDAP

For management purposes, the Group is organised into the above five business segments based on the services provided Management monitors the operating results of the business segments separately for the purpose of making decisions about resources to be allocated and assessing performance

Since all trading activity and operations are in the United Kingdom, there is no secondary reporting format by geographical segment

i) Property, plant, equipment and depreciation

Landfill sites
Landfill sites are included within property, plant and equipment at cost less accumulated depreciation The cost of landfill sites includes the cost of acquiring, developing and engineering sites, but does not include interest The anticipated total cost of the asset is depreciated over the estimated life of the site on the basis of the usage of void space In some circumstances the timing of engineering expenditure and the configuration of a site can lead to depreciation charges exceeding capital expenditure to date In these circumstances the surplus depreciation is transferred to provisions

Other property, plant and equipment
Other property, plant and equipment are included at cost less accumulated depreciation Freehold land is not depreciated Other property, plant and equipment is depreciated on a straight-line basis over their expected lives, which are as follows

Short leasehold property and improvements	Length of lease up to 21 years
Long leasehold property and improvements	Length of lease greater than 21 years
Motor vehicles	4-8 years
Plant	5-10 years
Fixtures and office equipment	5-10 years

Assets in the course of construction are not depreciated until commissioned

j) Leased assets
Where assets are financed by leasing arrangements which transfer substantially all the risks and rewards of ownership of an asset to the lessee (finance leases), the assets are accounted for as if they had been purchased and the fair value of the minimum payments are shown as an obligation to the lessor Lease payments are treated as consisting of a capital and a finance charge The capital element reduces the obligation to the lessor with the finance charge being expensed to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period Depreciation is charged over the shorter of the estimated useful life and the lease period

All other leases are accounted for as operating leases Rental costs arising under operating leases are charged to the income statement on a straight-line basis over the lease term

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed

k) Government grants
Grant and contributions received in respect of non-current assets are treated as deferred income and released to the income statement over the useful economic lives of those assets

l) Goodwill and intangibles
Goodwill represents the excess of the fair value of the purchase consideration over the fair value of the identifiable intangible and tangible assets net of fair value of the liabilities, including contingencies, of the business acquired at the date of acquisition Goodwill is stated at this cost less any impairments expensed to the income statement

Goodwill is not amortised but is reviewed for impairment at least annually For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit An impairment loss recognised for goodwill is not reversed in a subsequent period

Intangible assets are separately identified from goodwill on an acquisition, and a fair value attributed to that asset Customer lists or contracts that will generate future economic benefits represent such intangible assets that may be acquired Customer lists or contracts that are held in intangible assets are subject to amortisation over a period of 5 years Intangible assets are stated at cost less amortisation expensed to the income statement

Costs that are directly associated with the production and purchase of identifiable and unique software products controlled by the Group, and that will generate economic benefits beyond one year are recognised as intangible assets These intangible assets are stated at cost less accumulated amortisation and impairment losses Software is amortised over 2-5 years

m) Impairment of non-current assets excluding goodwill
At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any) Where the asset does not generate cash flows that are independent from other assets, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs An intangible asset with an indefinite useful life is tested for impairment at least annually and whenever there is an indication that the asset may be impaired

Recoverable amount is the higher of fair value less costs to sell 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

WASTEINVESTMENTS LLP
ACCOUNTING POLICIES (CONTINUED)

m) Impairment of non-current assets excluding goodwill (continued)
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, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase

Impairments are recognised in the income statement, and where material is disclosed as an operating exceptional item within operating profit

n) Investments
Investments held as fixed assets are held at cost less provision for impairment Investments in jointly controlled entities are incorporated in these financial statements using the equity method of accounting

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

p) Provisions
Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation Provisions are measured at the members' best estimate of the expenditure required to settle the obligation at the balance sheet date, and are discounted to present value where the effect is material The following paragraphs within this section set out more specific applications of provisioning

Landfill reinstatement costs
Provision for the cost of reinstating landfill sites is made as the obligation to reinstate the site arises Costs are charged to the income statement over the operational life on the basis of the usage of void space for each landfill site

Environmental control and aftercare costs
Provision for environmental costs and aftercare costs are made as the environmental and aftercare liability arises Costs are charged to the income statement over the operational life of each landfill site on the basis of the usage of void space Aftercare costs may continue for a considerable period thereafter Long term aftercare provisions are calculated based on the net present value of estimated future costs by applying an appropriate discount rate The effects of inflation and unwinding of the discount element on existing provisions are reflected in the financial information as a finance charge

Insurance
Provision is made for claims notified and for claims incurred but which have not yet been notified, based on advice from the Group's external and internal insurance advisers

q) Pension costs
Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due

For defined benefit schemes, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date Actuarial gains and losses are recognised in full in the period in which they occur They are recognised outside profit or loss and presented in other comprehensive income

Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight-line basis over the average period until the benefits become vested

The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, and as reduced by the fair value of scheme assets Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the scheme

r) Tax

Current tax
Current tax payable or recoverable is based on taxable profits or allowable losses for the year Taxable profits or allowable losses differ from the profit or loss as reported in the income statement because they exclude items of income and expenses that are taxable or allowable in other years and further exclude items that are never taxable or deductible The group's current tax payable or recoverable is calculated using rates which have been enacted or substantively enacted at the balance sheet date

Deferred tax
Deferred tax is the tax that is expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method Provision is made in full for deferred tax liabilities that arise from timing differences where transactions or events that result in an obligation to pay more tax in the future have occurred by the balance sheet date Deferred tax assets are recognised to the extent that it is probable that they will be recoverable in the future Deferred tax is measured at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on the rates and laws that have been enacted or substantively enacted by the balance sheet date

Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity Deferred tax liabilities are recognised for taxable temporary differences arising in respect of interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future

s) Pre-contract costs
Pre-contract costs are expensed as incurred, except where it is virtually certain that the contract will be awarded, in which case they are recognised as an asset which is written off to the income statement over the life of the contract

t) Financial instruments
Financial assets and financial liabilities are recognised in the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity

The Group derecognises a financial liability only when the Group's obligations are discharged, cancelled or they expire

Financial assets
All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value

Financial assets are classified into the following specified categories financial assets 'at fair value through profit or loss' (FVTPL) and 'loans and receivables' The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition

Effective interest method
The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL

WASTEINVESTMENTS LLP
ACCOUNTING POLICIES (CONTINUED)

t) Financial instruments (continued)

Financial assets at FVTPL
Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL

A financial asset is classified as held for trading if
- it has been acquired principally for the purpose of selling in the near term, or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking, or
- it is a derivative that is not designated and effective as a hedging instrument

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if
- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise, or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis, or
- it forms part of a contract containing one or more embedded derivatives, and IAS 39 Financial Instruments Recognition and Measurement permits the entire combined contract (asset or liability) to be designated as at FVTPL

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss

Loans and receivables
Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables' Loans and receivables are measured at amortised cost using the effective interest method, less any impairment Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial

Impairment of financial assets
Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each balance sheet date Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis Objective evidence of impairment could include significant financial difficulty of the customer, default on payment terms or the customer going into liquidation

The carrying amount of trade and other receivables is reduced through the use of an allowance account When a trade or other receivable is considered uncollectible, it is written off against the allowance account Subsequent recoveries of amounts previously written off are credited against the allowance account Changes in the carrying amount of the allowance account are recognised in the income statement

Cash and cash equivalents
Cash and cash equivalents include cash at bank and in hand, deposits at call with banks, other short-term highly liquid investments with original maturity at acquisition of three months or less that are readily convertible to cash, net of bank overdrafts For the purposes of the cash flow statement, cash and cash equivalents consists of the definition outlined above

Financial liabilities and equity
Financial liabilities and equity are classified according to the substance of the contractual arrangements entered into

WASTEINVESTMENTS LLP
ACCOUNTING POLICIES (CONTINUED)

t) Financial instruments (continued)

Equity instruments
Equity instruments consist of the Company's ordinary share capital and are recorded at the proceeds received, net of direct issue costs

Financial liabilities
All non-derivative financial liabilities are classified as other financial liabilities and are initially measured at fair value, net of transaction costs Other financial liabilities are subsequently measured at amortised cost using the effective interest rate method

Other financial liabilities consist of borrowings and trade and other payables

Financial liabilities are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date

Derivative financial instruments
The Group has entered into interest rate swaps and basis rate swaps to manage its exposure to interest rate risk

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date The resulting gain or loss is recognised in the income statement immediately unless the derivative is designated and effective as a hedging instrument

A derivative is presented as a non-current asset or liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months Other derivatives are presented as current assets or liabilities

Cash flow hedge accounting
In the period, the Group designated interest rate swaps as cash flow hedges against variable interest rate payments on the Group's borrowings

At the inception of a hedge relationship, the Group designates the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking hedge transactions Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument that is used is highly effective in offsetting changes in cash flows of the hedged item

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are deferred in equity The gain or loss relating to the ineffective portion is recognised immediately in finance income or finance costs

Amounts deferred in equity are recycled into the income statement in the periods when the hedged item is recognised in the income statement, in the same line of the income statement as the recognised hedged item

Hedge accounting is discontinued when the Group revokes the hedging relationship, the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting Any cumulative gain or loss deferred in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was deferred in equity is recognised immediately in the income statement

WASTEINVESTMENTS LLP
ACCOUNTING POLICIES (CONTINUED)

u) Accounting estimates, assumptions and uncertainties

The preparation of the financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income, expenses and related disclosures The estimates and underlying assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances This forms the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources Actual results may however differ from these estimates

The estimates and underlying assumptions are reviewed on an ongoing basis Changes in accounting estimates may be necessary if there are changes in the circumstances on which the estimate was based, or as a result of new information or further information Such changes are recognised in the period in which the estimate is revised

Certain accounting policies are particularly important to the preparation and explanation of the Group's financial information Key assumptions about the future and key sources of estimation uncertainty that have a risk of causing a material adjustment to the carrying value of assets and liabilities over the next twelve months are set out below

Impairment of Goodwill, Intangible Assets and Fixed Assets

The Group has property, plant and equipment with a carrying value £644 1 million, intangible assets with a carrying value of £178 9m and goodwill with a carrying value of £990 4 million as at 1 April 2011These assets are reviewed annually for impairment as described above to ensure that goodwill and fixed assets are not carried above their estimated recoverable amounts To assess if any impairment exists, estimates are made of the future cash flows expected to result from the use of the asset and its eventual disposal Actual outcomes could vary from such estimates of discounted future cash flows Factors such as changes in expected use of buildings, plant and machinery, closure of facilities, or lower than anticipated sales could result in shortened useful lives or impairment

Further detail of the impairment review carried out in respect of the Group's goodwill is included at note 9

Site Development and Cell Preparation

Total anticipated site development and cell preparation costs are charged to the income statement as void usage progresses Landfill engineering costs are estimated using either the work of external consultants or internal experts Management uses its judgement and experience to provide for these estimated costs over the life of the site

Environmental Control and Aftercare Costs

Provision is made for environmental control costs as soon as the obligation arises, and is charged to the income statement as void usage progresses Environmental costs are estimated using either the work of external consultants or internal experts Management uses its judgement and experience to provide for these estimated costs over the life of the site

Pensions costs

At 1 April 2011, Group's defined benefit scheme had assets with a fair value of £272 5 million and obligations with a present value of £253 5 million The calculations of the assets and liabilities from such plans are based upon statistical and actuarial calculations The present value of the defined benefit obligation is impacted by assumptions on discount rates used to arrive at the present value of future pension liabilities, and assumptions on future increases in salaries and benefits The Group's independent actuaries used statistically based assumptions covering areas such as future withdrawals of participants from the scheme and estimates on life expectancy The actuarial assumptions used may differ materially from actual results due to changes in economic and market conditions, higher or lower withdrawal rates, longer or shorter life spans of participants and other changes in the assumptions employed by the actuaries These differences could impact the assets or liabilities recognised in the balance sheet in future periods

Income taxes

At 1 April 2011, a liability for current tax of £0 7 million was recorded with a net liability of £71 5 million for deferred income taxes Estimates may be required in determining the level of current and deferred income tax assets and liabilities, which the members believe are reasonable and adequately recognise any income tax related uncertainties Various factors may have favourable or adverse effects on the income tax assets or liabilities These include changes in tax legislation, tax rates and allowances, future levels of spending and the Group's level of future earnings

v) Allocation of profits and drawings

Profits are allocated in proportion to the class of partnership equity interests held and in accordance with the terms of the WasteInvestments LLP Partnership Agreement Distributions out of cash are made at the Management Board's discretion after due regard to the amounts determined by the Management Board to be reasonably necessary to meet the working capital needs of the LLP

WASTEINVESTMENTS LLP
NOTES TO THE FINANCIAL STATEMENTS
For the 52 weeks ended 1 April 2011

1 ADOPTION OF NEW AND REVISED STANDARDS

In the current year, the following new and revised Standards and Interpretations have been adopted and have affected the amounts reported in these financial statements

Standards affecting the financial statements

IFRIC 12 Service Concession Arrangements	This Interpretation sets out general principles on recognising and measuring the obligations and related rights in service concession arrangements The Interpretation applies if • the grantor controls or regulates what services the operator must provide with the infrastructure, to whom it must provide them, and at what price, and • the grantor controls – through ownership, beneficial entitlement or otherwise – any significant residual interest in the infrastructure at the end of the term of the arrangement The Group has three integrated waste management contracts which fall under this interpretation • a contract with Leicester City Council, awarded in 2003 for a term of 25 years, • a contract with Isle of Wight Council, awarded in 1997 for a term of 18 years, and • a contract with West Sussex Council, awarded in 2010 for a term of 25 years Infrastructure within the scope of this Interpretation shall not be recognised as property, plant and equipment of the operator because the contractual service arrangement does not convey the right to control the use of the public service infrastructure to the operator The operator instead recognises a financial asset to the extent that it has an unconditional contractual right to receive cash or another financial asset from the grantor, or an intangible asset to the extent that it receives a right/license to charge users of the public service This financial asset has been accounted for 'at fair value through profit or loss' (FVTPL) The Interpretation has been applied retrospectively in accordance with the relevant transitions The primary changes are the elimination of property, plant and equipment with a net book value of £21 4 million and £22 0m in 2010 and 2009 respectively, while financial assets of £25 3m and £28 0m have been created in 2010 and 2009 respectively The impact in 2010 was to reduce retained earnings by £1 5m The impact on periods prior to those disclosed was to increase retained earnings by £4 3m
IFRS 3 (2008) Business Combinations, IAS 27 (2008) Consolidated and Separate Financial Statements, IAS 28 (2008) Investments in Associates	These standards have introduced a number of changes in the accounting for business combinations when acquiring a subsidiary or an associate IFRS 3(2008) has also introduced additional disclosure requirements for acquisitions Refer to the Accounting Policies for more details These standards have been applied in respect of the acquisition of Greenstar – refer to note 25

1 ADOPTION OF NEW AND REVISED STANDARDS (CONTINUED)

Standards not affecting the reported results nor the financial position

IFRIC 17 Distributions of Non-Cash Assets to Owners	The Interpretation provides guidance on when an entity should recognise a non-cash dividend payable, how to measure the dividend payable and how to account for any difference between the carrying amount of the assets distributed and the carrying amount of the dividend payable when the payable is settled
IFRS 2 (amended) Group Cash-Settled Share-Based Payment Transactions	The amendment clarifies the accounting for share-based payment transactions between group entities
Amendment to IFRS 2 Share-Based Payment	IFRS 2 has been amended, following the issue of IFRS 3(2008), to confirm that the contribution of a business on the formation of a joint venture and common control transactions are not within the scope of IFRS 2
Amendment to IAS 17 Leases	IAS 17 has been amended such that it may be possible to classify a lease of land as a finance lease if it meets the criteria for that classification under IAS 17
Amendment to IAS 39 Financial Instruments Recognition and Measurement	IAS 39 has been amended to state that options contracts between an acquirer and a selling shareholder to buy or sell an acquiree that will result in a business combination at a future acquisition date are not excluded from the scope of the standard

At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective (and in some cases had not yet been adopted by the EU)

IFRS 9	Financial Instruments
IAS 24 (amended)	Related Party Disclosures
IAS 32 (amended)	Classification of Rights Issues
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments
IFRIC 14 (amended)	Prepayments of a Minimum Funding Requirement
IFRS 13	Fair Value Measurement
IFRS 12	Disclosure of Interests in Other Entities
IFRS 11	Joint Arrangements
IFRS 10	Consolidated Financial Statements
IAS 28 (revised May 2011)	Investments in Associates and Joint Ventures
IAS 27 (revised May 2011)	Separate Financial Statements
Amendments to IAS 12 (Dec 2010)	Deferred Tax Recovery of Underlying Assets
Amendments to IFRS 1 (Dec 2010)	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
Amendments to IFRS 7 (Oct 2010)	Disclosures – Transfers of Financial Assets
Improvements to IFRSs 2010 (May 2010)	Improvements to IFRSs 2010

The adoption of IFRS 9 which the Group plans to adopt for the period beginning on 1 April 2013 will impact both the measurement and disclosures of Financial Instruments

The directors do not expect that the adoption of the other standards listed above will have a material impact on the financial statements of the Group in future periods

WASTEINVESTMENTS LLP
NOTES TO THE FINANCIAL STATEMENTS
For the 52 weeks ended 1 April 2011

2 SEGMENTAL INFORMATION

The Group ıs managed by type of busıness and ıs organısed ınto five operatıng dıvısıons These dıvısıons represent the busıness segments ın whıch the Group reports ıts prımary segment ınformatıon Sınce all tradıng actıvıty and operatıons are ın the Unıted Kıngdom, there ıs no secondary reportıng format by geographıcal segment

Prıor year numbers have been restated due to a change ın dıvısıonal structure reflectıng changes ın ınternal management reportıng followıng the Greenstar acquısıtıon The segment results for the 52 weeks endıng 1 Aprıl 2011 are as follows

	52 weeks ended 1 Aprıl 2011		53 weeks ended 2 Aprıl 2010	
	External	**External**	External	Total
	£m	**£m**	£m	£m
Revenue				
I&C	**365.7**	**419.2**	367 1	410 5
Munıcıpal	**99.6**	**100.3**	52 5	53 1
Processıng & Recyclıng	**52.7**	**55 5**	21 8	22 2
Landfill & Treatment	**170.7**	**239.6**	188 0	259 7
Energy from Waste	**86.4**	**89.7**	72 5	74 2
Inter and ıntra-segment revenue elımınatıon				
I&C	-	**(53 5)**	-	(43 4)
Munıcıpal	-	**(0 7)**	-	(0 6)
Processıng & Recyclıng	-	**(2.8)**	-	(0 4)
Landfill & Treatment	-	**(68.9)**	-	(71 7)
Energy from Waste	-	**(3.3)**	-	(1 7)
	775.1	**775.1**	701 9	701 9

	52 weeks ended 1 Aprıl 2011	53 weeks ended 2 Aprıl 2010
	£m	£m
EBITDAP		
I&C	**39.4**	58 8
Munıcıpal	**16.3**	8 0
Processıng & Recyclıng	**8.2**	3 2
Landfill & Treatment	**56.0**	62 1
Energy from Waste	**40.1**	37 1
Shared servıces and corporate costs	**(29.1)**	(12 2)
EBITDAP before exceptıonal charges	**130.9**	157 0
Deprecıatıon and amortısatıon	**(116.7)**	(103 0)
Envıronmental provısıons	**(11.0)**	(18 3)
Other	**4 7**	0 4
Operatıng profit before exceptional charges	**7.9**	36 1
Exceptıonal ıtems (note 3)	**(29.0)**	(7 5)
Operatıng (loss)/profit after exceptional charges	**(21.1)**	28 6
Fınance charges	**(118 3)**	(101 8)
Fınance ıncome	**5.4**	2 2
Share of post tax results of joınt ventures	**-**	1 1
Loss before taxatıon	**(134.0)**	(69 9)

EBITDAP before exceptıonal charges	**130.9**	157 0
Share of post tax results of joınt ventures	**-**	1 1
EBITDAP as reported	**130.9**	158 1

2 SEGMENTAL INFORMATION (CONTINUED)

The accounting policies of the reportable segments are the same as the Group's accounting policies Segment EBITDAP represents the profit earned by each segment without allocation of the share of provisions, depreciation and amortisation, exceptional items, finance costs and income tax expense This is the measure reported to the Group's Chief Executive for the purpose of resource allocation and assessment of segment performance

The exceptional costs of £29 0 million as disclosed in note 3 relate to all segments

The share of post tax results of the joint ventures relates entirely to the Energy from Waste division

Inter and intra-segment transactions between and within divisions are entered into under the normal commercial terms and conditions that would also be available to unrelated third parties, with revenue analysed as follows

	52 weeks ended 1 April 2011 £m	53 weeks ended 2 April 2010 £m
Inter and intra-segment revenue		
I&C	**53.5**	43 4
Municipal	**0.7**	0 6
Processing & Recycling	**2.8**	0 4
Landfill & Treatment	**68.9**	71 7
Energy from Waste	**3.3**	1 7
	129.2	117 8

Other segment items are

	52 weeks ended 1 April 2011 £m	53 weeks ended 2 April 2010 £m
Capital expenditure		
I&C	**17.9**	22 1
Municipal	**2 4**	-
Processing & Recycling	**5.3**	10 1
Landfill & Treatment	**11.6**	34 1
Energy from Waste	**35.9**	11 6
Shared services and corporate	**0.9**	1 1
	74.0	79 0
Depreciation and amortisation		
I&C	**(48.0)**	(46 1)
Municipal	**(9.2)**	(4 8)
Processing & Recycling	**(3.5)**	(0 6)
Landfill & Treatment	**(40.9)**	(37 6)
Energy from Waste	**(12.3)**	(11 2)
Shared services and corporate	**(2.8)**	(2 7)
	(116.7)	(103 0)

Capital expenditure comprises additions to goodwill, intangible assets and property, plant and equipment, and includes additions arising through business acquisitions

Depreciation and amortisation relates to the write down of both intangible and tangible fixed assets over their estimated useful economic lives

3 EXCEPTIONAL ITEMS

Exceptional charges incurred in the period primarily relate to the acquisition of the Greenstar group which completed on the 6th August 2010 and relate to all the reportable segments

	52 weeks ended 1 April 2011 £m	53 weeks ended 2 April 2010 £m
Administration expenses		
Professional fees (note i)	**18.7**	0 2
Restructuring costs (note ii)	**10.3**	7 3
	29.0	7 5

(i) Professional fees were incurred principally in relation to the acquisition of the Greenstar group by Biffa Group Limited in the period

(ii) Restructuring costs in the current year largely related to redundancy payments which were incurred following the acquisition of the Greenstar group by Biffa Group Limited Prior year restructuring costs related to the acquisition of the Biffa group by Biffa Group Limited

(iii) The tax effect arising on the above exceptional administration charges was a tax credit of £5 0 million (2010 tax credit of £2 0m)

4 FINANCE INCOME AND CHARGES

	52 weeks ended 1 April 2011 £m	53 weeks ended 2 April 2010 £m (restated – note 1)
Finance charges		
Interest on bank overdrafts and loans	**(109.2)**	(95 3)
Hedge ineffectiveness on the cash flow hedges	**(0.6)**	(0 4)
Change in fair value arising on derivative items not in a hedge relationship	**-**	1 0
Fair value through profit and loss – service concession arrangements	**(2.7)**	(2 7)
Interest on obligations under finance leases	**(2.1)**	(1 2)
Interest on discounted provisions (note 18)	**(2.9)**	(2 5)
Other interest payable	**(0.8)**	(0 7)
Finance charges	**(118.3)**	(101 8)
Finance income (note i)	**5.4**	2 2
Net finance charges	**(112.9)**	(99.6)

(i) Finance income includes £4 5 million (2010 £0 3m), which represents the net of the expected return of £18 2 million (2010 £12 7m) on pension assets less interest on pension liabilities of £13 7 million (2010 £12 4m)

5 FINANCIAL INSTRUMENT GAINS AND LOSSES

The net gains and losses recorded in the consolidated income statement in respect of financial instruments were as follows

	52 weeks ended 1 April 2011 £m	53 weeks ended 2 April 2010 £m (restated – note 1)
At fair value through profit and loss		
Hedge ineffectiveness on the cash flow hedges	(0.6)	(0 4)
Service concession arrangements	(2.7)	(2 7)
Change in fair value of derivative items not in a hedge relationship	-	1 0
Loans and receivables		
Interest income at amortised cost	0.9	1 9
Impairment losses in respect of trade receivables	(1.4)	(3 7)
Other financial liabilities		
Interest expense at amortised cost	(112.1)	(97 2)

6 LOSS BEFORE TAXATION

	52 weeks ended 1 April 2011 £m	53 weeks ended 2 April 2010 £m
The following items have been included in arriving at the operating loss		
Staff costs (note 7)	175.7	147 1
Depreciation of property, plant and equipment		
- owned assets	92.4	85 7
- assets held under finance leases	6.1	0 7
Amortisation of intangibles	18.2	16 6
Operating lease charges		
- plant and machinery	5 7	5 5
- other	8.3	5 4
PFI application costs	4.4	2 3
Government grants towards capital projects	(0.2)	(0 2)
Profit on disposal of property, plant and equipment	(4.3)	(0 6)

The analysis of the Group's auditors remuneration is as follows

	£'000	£'000
- Fees payable to the partnership's auditors for the audit of the annual accounts	76	36
- The audit of the partnership's subsidiaries pursuant to legislation	335	164
Total audit fees	411	200
- Other services pursuant to legislation		
- Tax services	-	5
- Corporate finance services	150	-
Total non audit fees	150	5
Total	561	205

7 EMPLOYEES AND DIRECTORS

The average monthly number of persons (including executive directors) employed by the Group during the period was

	52 weeks ended 1 April 2011 Number	53 weeks ended 2 April 2010 Number (restated)
By segment		
I&C	2,521	2,451
Municipal	2,502	956
Processing & Recycling	267	221
Landfill & Treatment	213	193
Energy from Waste	365	438
Shared services and corporate	272	256
	6,140	4,515

Prior year numbers have been restated due to a change in divisional structure reflecting changes in internal management reporting following the Greenstar acquisition

	As at 1 April 2011 £m	As at 2 April 2010 £m
Their aggregate remuneration comprised		
Wages and salaries	152.8	127 2
Social security costs	12.9	10 4
Other pension costs (note 24)	6.5	6 5
Redundancy and termination payments	3.5	3 0
	175.7	147 1

Members' remuneration

Members' remuneration is as disclosed in note 20

Key management compensation

The key management of the Group comprises the members of the Biffa executive team Details of key management's remuneration are given below

	As at 1 April 2011 £m	As at 2 April 2010 £m
Salaries and short-term employee benefits	3 5	2 4
Post-employment benefits	0.3	0 3
Compensation for loss of office	1.2	-
Sums paid to third parties for directors' services	-	0 5
	5.0	3 2

Retirement benefits are accruing to two directors (2010 two) under a defined benefit scheme at the period end

8 TAXATION

	52 weeks ended 1 April 2011 £m	53 weeks ended 2 April 2010 £m
Current tax		
Corporation tax at 28%		
Prior period	(4 0)	(4 6)
Total current tax	(4 0)	(4 6)
Deferred tax		
Current period	(21.2)	(21 8)
Prior period	7.7	(12 5)
Effect of change in rate	(5.5)	-
Total deferred tax	(19.0)	(34 3)
Total tax credit	(23.0)	(38 9)

Corporation tax is calculated at 28% of the estimated assessable loss for the period The credit for the period can be reconciled to the loss per the income statement as follows

	52 weeks ended 1 April 2011 £m	53 weeks ended 2 April 2010 £m
Loss on ordinary activities before tax	(134.0)	(69 9)
Loss on ordinary activities multiplied by the standard rate of corporation tax in UK of 28%	(37 5)	(19 6)
Effects of		
Expenses not deductible for tax purposes	44.8	20 9
Non taxable income	(40.9)	(23 1)
Adjustment in respect of prior period	3.7	(17 1)
Tax losses not recognised for deferred tax	12.4	-
Effect of change in tax rate	(5.5)	-
Total taxation	(23.0)	(38 9)

In addition to the amount credited to the income statement, the following amounts of tax have been charged/(credited) directly to equity

	52 weeks ended 1 April 2011 £m	53 weeks ended 2 April 2010 £m
Deferred tax		
Deferred tax charge/(credit) arising on gain or loss on cash flow hedge	9.6	3 2
Deferred tax charge/(credit) arising on actuarial gains and losses	0.2	4 3
Deferred tax charge/(credit) arising on financial assets	(0.4)	-
	9.4	7 5

Legislation reducing the main rate of corporation tax from 28% to 26% with effect from 1 April 2011 was substantively enacted during the period Accordingly, current tax has been provided for at a rate of 28% and deferred tax has been provided for at a rate of 26% in these financial statements Further reductions to the main rate of corporation tax of 1% per annum to 23% by 1 April 2014 have been announced by the government but have not yet been substantively enacted, so their effect has not been reflected in these financial statements

9 GOODWILL

	As at 1 April 2011 £m	As at 2 April 2010 £m	As at 27 March 2009 £m
Cost			
Balance at beginning of period	**938.2**	937 2	-
Recognised on acquisition of subsidiary (note 25)	**51.8**	1 0	937 2
Recognised on acquisition of non controlling interest	**0.4**	-	-
Balance at end of period	**990.4**	938 2	937 2
Accumulated impairment losses			
Balance at beginning and end of period	-	-	-
Net book amount at end of period	**990.4**	938 2	937 2

Goodwill acquired in a business combination is allocated at acquisition to the Group's cash generating units ("CGUs"), identified by business segments that are expected to benefit from that business combination, on a discounted cash flow basis as follows

	As at 1 April 2011 £m	As at 2 April 2010 £m	As at 27 March 2009 £m
I&C	**692.9**	692 9	692 9
Municipal	**9.8**	9 8	9 8
Processing & Recycling	**67.4**	66 1	66 1
Landfill & Treatment	**138 3**	138 3	138 3
Energy from Waste	**82.0**	31 1	30 1
	990 4	938 2	937 2

Prior year numbers have been restated due to a change in divisional structure reflecting changes in internal management reporting following the Greenstar acquisition

The recoverable amount of a CGU is determined based on value-in-use calculations These calculations use cash flow projections based on financial budgets approved by management covering a five year period Cash flows beyond the five year period are extrapolated using an estimated nominal growth rate of -2 5% and 3 0% The growth rate does exceed the long term average growth rate for the business in certain cases, due to anticipated trends within the industry that the CGU operates

Management determined budgeted gross margin based on past performance and its expectations for the market development The weighted average growth rate used is consistent with the forecasts included in industry reports The pre-tax discount rate used is 7 38% These assumptions have been used for the analysis of each CGU within the business segment

An impairment review in accordance with the approach and assumptions outlined above has been carried out for each CGU and no impairment is considered reasonably probable as the recoverable amount of goodwill and net assets exceeded its carrying values by margins ranging from 4% to 384% An increase in the discount rate of 0 5% would have caused an impairment of £12 4 million in the Landfill & Treatment division An increase in the discount rate of 1 0% would have caused an impairment of £35 9 million in the Landfill & Treatment division and an impairment of £41 2 million in the I&C division

10 INTANGIBLE ASSETS

	Brand £m	Customer contracts £m	Computer software £m	WSCC pre-contract costs £m	Total £m
Cost					
On incorporation	-	-	-	-	-
Acquisitions	95 0	96 4	4 3	-	195 7
Disposals	-	-	-	-	-
At 27 March 2009	95 0	96 4	4 3	-	195 7
Acquisitions	-	0 4	-	-	0 4
Additions	-	-	0 5	-	0 5
Disposals	-	-	(0 2)	-	(0 2)
At 2 April 2010	95 0	96 8	4 6	-	196 4
Acquisitions (note 25)	-	27 1	1 7	-	28 8
Additions	-	-	0 4	4 2	4 6
Disposals	-	-	(0 8)	-	(0 8)
At 1 April 2011	95 0	123 9	5 9	4 2	229 0
Accumulated amortisation					
On incorporation	-	-	-	-	-
Charge for period	-	(15 1)	(1 1)	-	(16 2)
Disposal	-	-	-	-	-
At 27 March 2009	-	(15 1)	(1 1)	-	(16 2)
Charge for period	-	(15 0)	(1 6)	-	(16 6)
Disposals	-	-	0 1	-	0 1
At 2 April 2010	-	(30 1)	(2 6)	-	(32 7)
Charge for period	-	(15 9)	(2 2)	(0 1)	(18 2)
Disposals	-	-	0 8	-	0 8
At 1 April 2011	-	(46 0)	(4 0)	(0 1)	(50 1)
Net book amount					
At 27 March 2009	95 0	81 3	3 2	-	179 5
At 2 April 2010	95 0	66 7	2 0	-	163 7
At 1 April 2011	**95.0**	**77.9**	**1.9**	**4.1**	**178.9**

As at 2 April 2010 intangible assets include internally generated software with a net book value of £0 4 million (2010 £0 4 million)

All amortisation charges in the period have been charged through other operating expenses

The following useful lives have been determined for the intangible assets acquired during the period

Brand	Indefinite life
Customer contracts	14-25 years
Computer software	3-5 years
WSCC pre-contract costs	25 years

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11 PROPERTY, PLANT AND EQUIPMENT

	Land and buildings	Landfill sites	Plant, vehicles and equipment	Total
	£m	£m	£m	£m
Cost				
On incorporation	-	-	-	-
Acquisitions	52 2	439 9	155 0	647 1
Additions	4 3	20 1	32 3	56 7
Disposals	(0 4)	-	(17 3)	(17 7)
At 27 March 2009 (restated – note 1)	56 1	460 0	170 0	686 1
Acquisitions	-	-	0 3	0 3
Additions	6 9	15 6	58 2	80 7
Disposals	(0 4)	-	(11 8)	(12 2)
At 2 April 2010 (restated – note 1)	62 6	475 6	216 7	754 9
Acquisitions (note i) (note 25)	4 2	-	46 4	50 6
Additions	14 4	12 4	53 8	80 6
Disposals	(0 4)	-	(13 1)	(13 5)
At 1 April 2011	80 8	488 0	303 8	872 6
Accumulated depreciation				
On incorporation	-	-	-	-
Charge for period	(3 3)	(37 7)	(43 3)	(84 3)
Disposal	0 3	-	16 2	16 5
Transfer to provisions	-	(1 2)	-	(1 2)
At 27 March 2009 (restated – note 1)	(3 0)	(38 9)	(27 1)	(69 0)
Charge for period	(3 5)	(42 0)	(40 9)	(86 4)
Disposal	0 1	-	11 5	11 6
Transfer to provisions	-	0 9	-	0 9
At 2 April 2010 (restated – note 1)	(6 4)	(80 0)	(56 5)	(142 9)
Charge for period	(4 5)	(45 1)	(48 9)	(98 5)
Disposal	0 7	-	11 7	12 4
Transfer to provisions	-	0 5	-	0 5
At 1 April 2011	(10 2)	(124 6)	(93 7)	(228 5)
Net book amount				
At 27 March 2009 (restated – note 1)	53 1	421 1	142 9	617 1
At 2 April 2010 (restated – note 1)	56 2	395 6	160 2	612 0
At 1 April 2011	**70 6**	**363.4**	**210.1**	**644 1**

(i) These amounts are in respect of tangible fixed assets acquired in connection with the acquisition of the Greenstar group on 6 August 2010

11 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The carrying amount of the Group's property, plant and equipment includes £39 1 million (2010 £15 9 million) in respect of assets held under finance leases, analysed as follows

	As at 1 April 2011 £m	As at 2 April 2010 £m	As at 27 March 2009 £m
Land and buildings	**2.6**	2 6	2 6
Landfill sites	**12.6**	13 3	14 0
Plant, vehicles and equipment	**23.9**	-	-
	39.1	15 9	16 6

Land and buildings and landfill sites at net book amount comprise

	As at 1 April 2011		As at 2 April 2010 (restated – note 1)		As at 27 March 2009 (restated – note 1)	
	Land And Buildings £m	Landfill Sites £m	Land And Buildings £m	Landfill Sites £m	Land And Buildings £m	Landfill Sites £m
Freehold	**40.7**	**150 6**	31 0	153 9	31 0	162 6
Long leasehold	**19.4**	**173 4**	15 7	199 0	12 7	212 0
Short leasehold	**10.5**	**39.4**	9 5	42 7	9 4	46 5
	70.6	**363.4**	56 2	395 6	53 1	421 1

At 1 April 2011, the Group entered into contractual commitments for the acquisition of plant, property and equipment amounting to £3 9 million (2010 £36 7 million)

12 INVESTMENTS

	Joint ventures £m
On incorporation	-
Share of retained profit	1 7
Distribution of profits	(1 7)
At 27 March 2009	-
Share of retained profit	1 1
Distribution of profits	(1 1)
At 2 April 2010 and 1 April 2011	-

Until 30 September 2009, the Group owned 50 per cent of the ordinary share capital, 500 ordinary shares of £1 each, of Biogeneration Limited, a company incorporated in the United Kingdom The remaining 50 per cent was owned by E ON UK Plc, a wholly owned subsidiary of E ON AG On 1 October 2009, the Group purchased the remaining 50 per cent, at which point Biogeneration Limited became a wholly-owned subsidiary Biogeneration Limited's principal activity is the generation of electricity using methane produced by four of the Company's landfill sites

In addition, the Group owned an interest via a contractual arrangement in the operations of Canford Renewable Energy Limited, a company incorporated in the United Kingdom whose principal activity is the generation and sale of electricity from renewable sources The contractual arrangement came to end as at 28 February 2010 This interest was accounted for using the equity method under IAS 28

	As at 1 April 2011 £m	As at 2 April 2010 £m	As at 27 March 2009 £m
Group's share of			
Long term assets	-	-	0 3
Current assets	-	-	0 8
Current liabilities	-	-	(0 5)
	-	-	0 6
Group's share of			
Income	-	1 7	2 8
Expenses	-	(0 6)	(1 0)
Operating profit and profit before tax	-	1 1	1 8
Tax	-	-	(0 1)
Share of post tax results from joint ventures	-	1 1	1 7

The joint ventures had no significant contingent liabilities to which the Group is exposed and nor had the Group any significant contingent liabilities in relation to its interest in the joint ventures

Investments in joint ventures related entirely to the Energy from Waste division

13 INVENTORIES

	As at 1 April 2011 £m	As at 2 April 2010 £m	As at 27 March 2009 £m
Raw materials and consumables	**3.9**	2 4	2 5
Finished goods	**0.3**	-	-
	4.2	2 4	2 5

Inventories consumed in the period ended 1 April 2011 were £52 1 million (2010 £36.9 million) Inventory written down in the period totalled £0 1 million (2010 £0 1 million)

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14 TRADE AND OTHER RECEIVABLES

	As at 1 April 2011 £m	As at 2 April 2010 £m	As at 27 March 2009 £m
Amounts falling due within one year			
Trade receivables	**131.5**	107 4	117 7
Less provision for impairment of receivables	**(1.1)**	(1 2)	(1 4)
Trade receivables – net	**130.4**	106 2	116 3
Other debtors	**10.3**	0 5	15 4
Prepayments and accrued income	**15.0**	12 6	13 8
	155.7	119 3	145 5

All amounts included within prepayments and accrued income are due within one year

The average credit period taken on provision of services is 40 days Credit limits for new customers are assigned based on the potential customer's credit quality An external credit scoring system is used before assigning any credit limit above £500 Management monitors the utilisation of credit limits regularly The trade receivables balance consists of a large number of customer balances, represented largely by local account customers, and there is no significant concentration of credit risk Included in the Group's trade receivables balance are debts with a carrying amount of £28 3 million (2010 £28 6 million) which are past due at the reporting date for which the Group has not provided as there has not been a significant change in credit quality and the amounts are still considered recoverable The Group does not hold any collateral over these balances

Ageing of past due but not impaired receivables (days overdue)

	As at 1 April 2011 £m	As at 2 April 2010 £m	As at 27 March 2009 £m
1-30 days	**23.0**	25 5	24 4
31 -60 days	**2 3**	2 3	1 2
61-90 days	**1.3**	0 8	0 4
Over 91 days	**1.7**	-	1 0
	28.3	28 6	27 0

The allowance for doubtful debts consists of individually impaired trade receivables which are in liquidation or are the subject of legal action The impairment recognised represents the difference between the carrying amount of these trade receivables and the present value of any expected recoveries The Group does not hold any collateral over these balances

Movement in the allowance for doubtful debts

	Period ended 1 April 2011 £m	Period ended 2 April 2010 £m	Period ended 27 March 2009 £m
Balance at the start of the period	**1.2**	1 4	-
Acquisitions	**0.7**	-	0 4
Impairment losses recognised	**1.4**	2 3	2 2
Amounts written off as uncollectible	**(2 2)**	(2 5)	(1 2)
Amounts recovered during the period	-	-	-
Balance at the end of the period	**1.1**	1 2	1 4

The members consider that the carrying amount of trade receivables approximates their fair value

15 CASH AND CASH EQUIVALENTS

	As at 1 April 2011 £m	As at 2 April 2010 £m	As at 27 March 2009 £m
Cash at bank and in hand	51 7	40 1	30 2
Short term deposits	47.4	73 7	75 8
	99 1	113 8	106 0

Short term deposits comprise £46 8 million (2010 £73 0 million) of funds on overnight deposit via a group cash pooling facility and an insurance deposit of £0 6 million (2010 £0 7 million) which represents cash held as security for self insurance obligations

16 FINANCIAL INSTRUMENTS

Financial assets

	As at 1 April 2011 £m	As at 2 April 2010 £m (restated – note 1)	As at 27 March 2009 £m (restated – note 1)
At fair value through profit and loss.			
Service concession arrangements	22.7	25 3	28 0
Loans and receivables			
Liquidity fund	4.9	-	-
	27.6	25 3	28 0

Borrowings

	As at 1 April 2011		As at 2 April 2010		As at 27 March 2009	
	Book value £m	Average interest rate %	Book value £m	Average interest rate %	Book value £m	Average interest rate %
Current						
Obligations under finance leases	8.9	5.2%	0 9	6 8%	2 0	8 6%
Preference Shares	-	-	-	-	0 2	6 4%
Bank Loans	15.4	7.1%	22 5	6 5%	13 5	6 9%
	24.3		23 4		15 7	
Non-current						
Obligations under finance leases	28.1	5.2%	13 4	6 8%	12 3	8 6%
Bank loans	1,007.2	7 1%	951 3	6 5%	966 8	9 6%
Loans and other debts due to members	1,169.8	13.4%	857 6	12 1%	774 8	11 9%
	2,205.1		1,822 3		1,753 9	

All borrowings are measured at amortised cost and are fully secured against the Group assets

All financial assets and financial liabilities are Level 3

16 FINANCIAL INSTRUMENTS (CONTINUED)

As at 1 April 2011, the Group had drawn £649 2 million (2010 £688 3 million) against a Senior Term Facilities Agreement, at an average rate of 5 2% (2010 6 5%) In addition, the Group has drawn down a £50 million Capital Expenditure facility (2010 £nil) at an average rate of 4 1%, while it has an undrawn revolving loan facility of £74 0 million (2010 £74 0 million)

The Group has also fully drawn down £280 0 million against a Mezzanine debt facility, at an average rate of 11 4% Under the terms of this facility, interest is part paid and in part added to the outstanding capital amount In the period, £17 2 million of interest has not been repaid but has been added to the Mezzanine debt facility (£41 0m in total)

Transaction costs of £28 7 million incurred in the origination of these loans have been netted against the carrying value of the loans The various tranches of these facilities have repayment dates ranging from 7-10 years from first utilisation, with interest margins over LIBOR ranging from 3 25% to 6 00% (2010 2 75% to 5 50%)

The Class B, Class C and Class D partnership interests are repayable in full at par on an Exit, or if earlier 7 February 2018, with any accrued interest up to (but not including) that date following repayment of WasteInvestments LLP's loans to its subsidiary undertakings at the amount of cash received in respect of those loans The principal terms of those loans are as disclosed in note P4 to the Limited Liability Partnership financial statements

Fair value of financial assets and liabilities

	As at 1 April 2011		As at 2 April 2010 (restated – note 1)		As at 27 March 2009 (restated – note 1)	
	Book value £m	**Fair value £m**	Book value £m	Fair value £m	Book value £m	Fair value £m
Financial assets						
At fair value through profit and loss						
Service concession arrangements	**22.7**	**22.7**	25 3	25 3	28 0	28 0
Loans and receivables						
Trade and other receivables (note 14) (note i)	**130.4**	**130.4**	106 2	106 2	116 3	116 3
Liquidity fund	**4.9**	**4.9**	-	-	-	-
Cash and cash equivalents (note 15)	**99.1**	**99.1**	113 8	113 8	106 0	106 0
Total financial assets	**257.1**	**257.1**	245 3	245 3	250 3	250 3
Financial liabilities						
At fair value through profit and loss						
Derivative financial instruments	**(4.2)**	**(4.2)**	(37 5)	(37 5)	(49 5)	(49 5)
Financial liabilities at amortised cost						
Trade and other payables (note 17) (note ii)	**(132.0)**	**(132 0)**	(115 3)	(115 3)	(106 3)	(106 3)
Borrowings	**(1,059.6)**	**(1,085.3)**	(988 1)	(1,018 1)	(994 8)	(1,081 7)
Loans and other debts due to members (note 20)	**(1,169.8)**	**(1,540.9)**	(857 6)	(1,278 6)	(774 8)	(833 7)
Total financial liabilities	**(2,365 6)**	**(2,762.4)**	(1,998 5)	(2,449 5)	(1,925 4)	(2,071 2)

(i) Trade and other receivables exclude prepayments, other debtors and accrued income
(ii) Trade and other payables exclude deferred income, taxation and social security and other non-financial liabilities

The fair values of financial assets and liabilities are determined as follows

Interest rate swaps are measured at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates

The fair value of non-derivative financial assets and liabilities are determined based on discounted cash flow analysis using current market rates for similar instruments

16 FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management

The Group's activities expose it to a variety of financial risks market risk (including capital risk management, cash flow interest rate risk and price risk), credit risk and liquidity risk The Group's overall risk management programmes focus on the unpredictability of financial markets and seek to minimise potential adverse effects on the Group's financial performance The Group uses derivative financial instruments to hedge certain risk exposures Financial risk management in the above areas is carried out by the Head of Tax and Treasury together with the Chief Financial Officer under a policy approved by the board of directors The board approves written principles for interest rate risk and credit risk, and the use of derivative financial instruments and non-derivative financial 'instruments, and receives regular reports on such matters

Capital risk management

The Group manages its capital structure using a number of measures and taking into account its future strategic plans Such measures include its net interest cover and leverage ratios, which are included in its banking covenants The Group continues to remain compliant with all its banking covenants Total capital is calculated as 'equity' as shown in the consolidated balance sheet plus net debt Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated balance sheet) less cash and cash equivalents

Cash flow interest rate risk

The Group's interest bearing assets include cash and cash equivalents which earn interest at floating rates The Group's income and operating cash flows are substantially independent of changes in market interest rates The Group's interest rate risk arises from long-term borrowings Borrowings issued at variable rates expose the Group to cash flow interest rate risk Group policy is to maintain at least 50 per cent of its borrowings at fixed rate using interest rate swaps to achieve this when necessary As at 1 April 2011, the Group had interest rate swaps with a notional principal amount of £650 million (2010 £650 million)

16 FINANCIAL INSTRUMENTS (CONTINUED)

Cash flow interest rate risk (continued)

The interest rate risk profile of the Group's financial assets and liabilities were as follows

	As at 1 April 2011 £m	As at 2 April 2010 £m	As at 27 March 2009 £m
Financial liabilities			
Floating rate financial liabilities (excluding derivatives)	**1,022.6**	973 8	980 3
Floating rate financial liabilities (derivatives)	**4.2**	37 5	49 5
Fixed rate financial liabilities	**1,206.8**	871 9	789 3
Non-interest bearing liabilities	**132.0**	115 3	106 3
Total financial liabilities	**2,365.6**	1,998 5	1,925 4

	As at 1 April 2011 £m	As at 2 April 2010 £m (restated – note 1)	As at 27 March 2009 £m (restated – note 1)
Financial assets			
Liquidity fund	**4.9**	-	-
Floating rate financial assets (cash and cash equivalents)	**99.1**	113 8	106 0
Service concession arrangements	**22.7**	25 3	28 0
Non-interest bearing financial assets	**130.4**	106 2	116 3
Total financial assets	**257.1**	245 3	250 3

(i) The interest on fixed rate financial liabilities is fixed until maturity of the instrument The interest on floating rate financial instruments is re-set at intervals of less than one year The other financial assets and liabilities of the Group that are not included in the above tables are non-interest bearing and therefore not subject to interest rate risk

(ii) Fixed rate and non-interest bearing financial assets and liabilities are exposed to fair value interest rate risk and floating rate financial assets and liabilities to cashflow interest rate risk

The minimum lease payments under finance leases fall due as follows

	As at 1 April 2011 £m	As at 2 April 2010 £m	As at 27 March 2009 £m
Not later than one year	**11.0**	2 0	2 0
Later than one year but not more than five	**25.0**	8 0	8 0
More than five years	**16.4**	18 7	19 4
	52.4	28 7	29 4
Future finance charges on finance leases	**(15.4)**	(14 4)	(15 1)
Present value of finance lease liabilities	**37.0**	14 3	14 3

16 FINANCIAL INSTRUMENTS (CONTINUED)

Derivative financial instruments

	As at 1 April 2011 £m	As at 2 April 2010 £m	As at 27 March 2009 £m
Financial liabilities carried at fair value			
Derivatives that are not designated in hedge accounting relationships			
Basis rate swaps	-	-	(1 1)
Derivatives that are designated in hedge accounting relationships			
Fuel hedges	0.3	-	-
Hedge ineffectiveness on cash flow hedges	-	0 2	(0 8)
Interest rate swaps	(4 5)	(37 7)	(47 6)
	(4 2)	(37 5)	(49 5)

There are three interest rate swaps which mature in 2011 The floating rate receive leg on the interest rate swaps is three months LIBOR, with a fixed pay leg of between 5 17% - 5 78% on all swaps All swaps are net settled and have a total notional principal amount of £650 million In addition, three further interest rate swaps have been entered into which commence in 2011 upon expiry of the current interest rate swaps The floating rate receive leg on the interest rate swaps is again three months LIBOR, with a fixed pay leg of between 1 455% - 1 8587% on all swaps All swaps are net settled and have a total notional principal amount of £513 million

Currency risk

The Group has no exposure to currency arrangements

Price risk

The Group is not materially exposed to any equity securities or commodities price risks

Credit risk

Credit risk is managed on a group basis as appropriate Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted Management does not expect any significant losses of receivables that have not been provided for as shown in Note 14 Trade and other receivables Further detail on trade receivables is included in Note 14

The carrying amount of financial assets recorded in the financial statements, which is net of impairment losses, represents the Group's maximum exposure to credit risk These amounts are receivable from local authority clients, hence are not exposed to significant credit risk Given the above factors, the Board does not consider it necessary to present a detailed analysis of credit risk

Liquidity risk

The Group ensures that there are sufficient committed loan facilities in order to meet short term business requirements, after taking into account cash flows from operations and its holding of cash and cash equivalents The financial market turbulence and associated illiquidity experienced in the credit markets throughout the 2010/11 financial year has not impacted the Group's ability to meet its financial requirements

The expected undiscounted cash flow of the Group's financial liabilities (including derivatives), by remaining contractual maturity, at the balance sheet date is shown below Balances due within 12 months equal their carrying balances as the impact of the discount is not significant

16 FINANCIAL INSTRUMENTS (CONTINUED)

As at 27 March 2009	Due within one year £m	Due between one and two years £m	Due between two and five years £m	Due five years and beyond £m	Total £m
Non-derivative financial liabilities					
Borrowings, excluding finance lease liabilities	13 7	22 5	94 5	865 0	995 7
Loans and other debts due to members	-	-	-	694 4	694 4
Finance lease liabilities (including interest)	2 0	2 0	6 0	19 4	29 4
Interest payments on borrowings	51 0	50 5	151 6	295 1	548 2
Fixed rate members' remuneration	-	-	-	833 7	833 7
Other non-interest bearing liabilities	84 6	-	-	-	84 6
Derivative financial liabilities					
Net settled interest rate swaps	23 8	23 7	5 5	-	53 0
	175.1	**98.7**	**257.6**	**2,707.6**	**3,239.0**

As at 2 April 2010	Due within one year £m	Due between one and two years £m	Due between two and five years £m	Due five years and beyond £m	Total £m
Non-derivative financial liabilities					
Borrowings, excluding finance lease liabilities	22 5	27 0	90 0	828 8	968 3
Loans and other debts due to members	-	-	-	694 4	694 4
Finance lease liabilities (including interest)	2 0	2 0	6 0	18 7	28 7
Interest payments on borrowings	44 4	45 5	139 8	275.8	505 5
Fixed rate members' remuneration	-	-	-	1,542 9	1,542 9
Other non-interest bearing liabilities	94 5	-	-	-	94 5
Derivative financial liabilities					
Net settled interest rate swaps	30 6	11 0	-	-	41 6
	194.0	**85.5**	**235.8**	**3,360.6**	**3,875.9**

As at 1 April 2011	Due within one year £m	Due between one and two years £m	Due between two and five years £m	Due five years and beyond £m	Total £m
Non-derivative financial liabilities					
Borrowings, excluding finance lease liabilities	15 4	41 5	116 0	806 3	979 2
Loans and other debts due to members	-	-	-	860 7	860 7
Finance lease liabilities (including interest)	11 0	8 7	16 3	16 4	52 4
Interest payments on borrowings	50 7	50 8	147 4	297 9	546 8
Fixed rate members' remuneration	-	-	-	2,129 4	2,129 4
Other non-interest bearing liabilities	115 4	-	-	-	115 4
Derivative financial liabilities					
Fuel hedges	(0 3)	-	-	-	(0 3)
Net settled interest rate swaps	11 7	(0 5)	(3 2)	-	8 0
	203 9	**100.5**	**276 5**	**4,110.7**	**4,691.6**

16 FINANCIAL INSTRUMENTS (CONTINUED)

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivative and non-derivative instruments at the balance sheet date For floating rate liabilities, the analysis is prepared taking an average of the liability outstanding over the period

If interest rates had been 2% higher/ 1% lower and all other variables were held constant, the Group's result for the period ended 1 April 2011 would increase/decrease by the amounts shown in the table below This analysis assumes that, where interest rates are currently less than 1%, any reduction is capped at zero

	2% increase in interest rates £m	1% decrease in interest rates £m
Gain/(loss) - derivative financial instruments	13 0	(4 8)
(Loss)/gain - variable rate financial instruments	(19 7)	9 9
	(6.7)	5.1

Reconciliation of Level 3 fair value measurements of financial assets

	FVTPL Service concession arrangements £m	FVTPL Derivative financial instruments £m
Balance at 27 March 2009	28 0	(49 5)
Total gains or losses		
- in profit or loss	(0 6)	0 6
- in other comprehensive income	(2 1)	11 4
Balance at 2 April 2010	25 3	(37 5)
Total gains or losses		
- in profit or loss	(1 5)	(0 5)
- in other comprehensive income	(1 1)	33 8
Balance at 1 April 2011	**22.7**	**(4.2)**

17 TRADE AND OTHER PAYABLES

	As at 1 April 2011 £m	As at 2 April 2010 £m	As at 27 March 2009 £m
Current			
Trade payables	**93.6**	78 1	71 9
Taxation and social security	**65.8**	65 8	49 0
Accruals and deferred income	**25 7**	22 4	24 1
Other payables	**25 0**	28 5	20 8
	210.1	194 8	165 8

Included within accruals and deferred income is £1 2 million (2010 £0 4 million) in relation to government grants which will be recognised in more than one year

18 PROVISIONS

	Land reinstatement and environmental £m	Insurance £m	Other £m	Total £m
On incorporation	-	-	-	-
Acquisitions	62 2	2 7	-	64 9
Utilised	(13 3)	(2 8)	-	(16 1)
Charged to income	8 3	2 7	-	11 0
Discount elimination	2 4	-	-	2 4
Transfers from fixed assets / other assets	0 6	-	-	0 6
At 27 March 2009	**60.2**	**2.6**	-	**62.8**
Utilised	(15 5)	(1 3)	-	(16 8)
Charged to income	18 3	2 2	-	20 5
Discount elimination	2 5	-	-	2 5
Transfers from fixed assets / other assets	(2 3)	-	-	(2 3)
At 2 April 2010	**63.2**	**3 5**	-	**66.7**
Acquisitions	-	-	5 1	5 1
Utilised	(17 3)	0 4	(0 1)	(17 0)
Charged to income	11 0	1 0	(0 2)	11 8
Discount elimination	2 9	-	-	2 9
Transfers from fixed assets / other assets	1 3	4 1	-	5 4
At 1 April 2011	**61 1**	**9.0**	**4.8**	**74.9**

Provisions have been analysed between current and non-current as follows

	As at 1 April 2011 £m	As at 2 April 2010 £m	As at 27 March 2009 £m
Current	**18.5**	16 4	17 6
Non-current	**56.4**	50 3	45 2
	74.9	66 7	62 8

Land reinstatement and environmental

As part of its normal activities, the Group undertakes to reinstate its landfill sites and to maintain the sites and control leachate and methane emissions from the sites Provision is made for these anticipated costs Reinstatement costs are incurred as each site is filled, and in the period immediately after its closure

Maintenance and leachate and methane control costs are incurred as each site is filled and for a number of years post closure Long term aftercare provisions included in Landfill reinstatement and environmental provisions have been discounted at a rate of 5 6% (2010 6%)

Environmental control costs are incurred as each site is filled and for a number of year post closure This period can vary significantly from site to site, depending upon the types of waste landfilled and the speed at which it decomposes, the way the site is engineered and the regulatory requirements specific to the site

Insurance

Provisions for insurance claims are made as set out in the accounting policies note on page 16 The associated outflows are estimated to arise over a period of up to five years from the balance sheet date

18 PROVISIONS (CONTINUED)

Other

Other provisions include an onerous contracts provision and a dilapidations provision

A provision was recognised during the year for onerous contracts arising on the acquisition of Verdant Group plc The provision has been calculated by discounting management's best estimate of the future operating losses from the contract Management are taking all reasonable steps to reduce costs incurred and the estimate will be reviewed in future years as the contract progresses

A provision was also recognised during the period on the acquisition of the Greenstar group for expected dilapidation costs to be incurred

19 DEFERRED TAXATION

The following are the major deferred tax assets and liabilities recognised by the Group and movements thereon during the current period

	Accelerated tax depreciation	Disallowed provisions	Retirement benefit obligation	Fair value of financial instruments	Intangible assets	Recognised tax losses carried forward	Total
	£m	£m	£m	£m	£m	£m	£m
On incorporation	-	-	-	-	-	-	-
Acquisitions	114 6	(5 8)	(0 8)	-	26 0	-	134 0
(Credit) / charge to income	(11 2)	1 9	4 9	-	(3 7)	-	(8 1)
Credit to SOCI	1 7	-	(6 6)	(14 1)	-	-	(19 0)
At 27 March 2009	**105.1**	**(3.9)**	**(2.5)**	**(14.1)**	**22.3**	-	**106.9**
(Credit) / charge to income	(8 8)	(23 7)	1 3	-	(3 1)	-	(34 3)
Charge to SOCI	(0 6)	-	4 3	3 2	-	-	6 9
At 2 April 2010	**95.7**	**(27.6)**	**3.1**	**(10 9)**	**19.2**	-	**79.5**
Acquisitions	(1 5)	-	-	-	7 5	(4 3)	1 7
(Credit) / charge to income	(30 0)	6 4	1 6	-	2 6	0 3	(19 1)
Charge to SOCI	(0 4)	-	0 2	9 6	-	-	9 4
At 1 April 2011	**63.8**	**(21 2)**	**4.9**	**(1.3)**	**29.3**	**(4.0)**	**71.5**

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities

The offset amounts are as follows

	As at 1 April 2011	As at 2 April 2010	As at 27 March 2009
	£m	£m	£m
Deferred tax assets	**(26.5)**	(38 5)	(20 5)
Deferred tax liabilities	**98.0**	118 0	127 4
	71 5	79 5	106 9

20 TOTAL MEMBERS' INTERESTS

	Equity			Debt			
	Class A Partnership Equity £m	Reserves £m	Total £m	Class B Partnership Debt £m	Class C Partnership Debt £m	Class D Partnership Debt £m	Total £m
On incorporation	-	-	-	-	-	-	-
Introduced by members	10 4	-	10 4	614 4	80 0	-	694 4
Loss for the period	-	(152 9)	(152 9)	-	-	-	-
Members remuneration charged as an expense	-	-	-	66 7	13 7	-	80 4
27 March 2009 (restated – note 1)	**10 4**	**(152.9)**	**(142.5)**	**681 1**	**93.7**	**-**	**774 8**
Introduced by members	-	-	-	-	-	-	-
Loss for the period	-	(95 9)	(95 9)	-	-	-	-
Members remuneration charged as an expense	-	-	-	68 7	14 1	-	82 8
2 April 2010 (restated – note 1)	**10.4**	**(248.8)**	**(238.4)**	**749 8**	**107.8**	**-**	**857.6**
Introduced by members	-	-	-	-	-	166 3	166 3
Loss for the period	-	(233 2)	(233 2)	-	-	-	-
Acquisition of non controlling interest	-	(0 2)	(0 2)	-	-	-	-
Members remuneration charged as an expense	-	-	-	99 2	24 5	22 2	145 9
1 April 2011	**10.4**	**(482 2)**	**(471.8)**	**849.0**	**132 3**	**188.5**	**1,169 8**

Members' capital

Members' capital contributions are determined by the Management Board, having regard to the working capital needs of the business Individual members' capital contributions are repayable at the discretion of the Management Board

The book value of members' capital is consistent with fair value in the current period

Allocation of profits and losses

The basis on which profits and losses are allocated is described in the note (u) within the accounting policies Loans and others debts due to members represent profits not yet paid to members Such profits are payable at the discretion of the Management Board No amounts due to members have been distributed as cash in the period and the amounts due to members are not expected to be paid within one year

In the event of a winding-up, loans and other debts due to members rank equally with unsecured creditors. Members' capital and other reserves rank after unsecured creditors

Members' profit shares

The average monthly number of members during the period was 49 The consolidated loss attributable to the members with the largest entitlement to profits and losses in the period is £83 2 million

21 CASH FLOWS FROM OPERATING ACTIVITIES

	52 weeks ended 1 April 2011 £m	53 weeks ended 2 Apri 2010 £m (restated – note 1)
Loss for the period	(279.9)	(113 8)
Adjustments for		
Exceptional items	29.0	7 5
Finance income	(5 4)	(2 2)
Finance charges	118.3	101 8
Share of results of joint ventures before taxation	-	(1 1)
Taxation	-	(38 9)
Members remuneration charged as an expense	145.9	82 8
Operating profit	7.9	36 1
Amortisation of intangibles	18.2	16 6
Depreciation of property, plant and equipment	98.5	86 4
Profit on disposal of property, plant and equipment	(4.3)	(0 6)
Other	(0.2)	-
(Increase)/decrease in inventories	(0.1)	0 1
(Increase)/decrease in debtors	(10.5)	23 8
(Decrease)/increase in creditors	(16.6)	22 9
(Decrease)/increase in provisions	(4.8)	3 4
Change in fair value of cash flow hedges	(0.3)	-
Total net cash flow from operating activities	87.8	188 7

22 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	52 weeks ended 1 April 2011 £m	53 weeks ended 2 April 2010 £m
Net (decrease)/increase in cash and cash equivalents	(14 7)	7 8
Net drawdown of borrowings, loans due to members and finance leases	(383.7)	(76 1)
Other non cash movements	-	-
Movement in net debt in the period	(398.4)	(68 3)
Net debt at start of period	(1,731 9)	(1,663 6)
Net debt at end of period	(2,130.3)	(1,731 9)

Analysis of net debt

	As at 1 April 2011 £m	As at 2 April 2010 £m
Cash and cash equivalents	99 1	113 8
Finance leases	(37.0)	(14 3)
Bank loans	(1,022.6)	(973 8)
Loans due to members	(1,169 8)	(857 6)
	(2,130.3)	(1,731 9)

23 OPERATING LEASE COMMITMENTS – MINIMUM LEASE PAYMENTS

At the balance sheet date, the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows

	As at 1 April 2011		As at 2 April 2010	
	Land and buildings £m	**Other £m**	Land and buildings £m	Other £m
Within one year	**7.5**	**8.0**	3 0	3 9
Between one and five years inclusive	**26.5**	**16.0**	10 9	4 2
After five years	**63.2**	**2.5**	28 9	-
	97.2	**26.5**	42 8	8 1

The Group leases various offices, warehouses under non-cancellable operating lease agreements The leases have various terms, escalation clauses and renewal rights

24 PENSION AND POST RETIREMENT BENEFITS

Defined contribution schemes

Pension costs for defined contribution schemes are as follows

	As at 1 April 2011 £m	As at 2 April 2010 £m	As at 27 March 2009 £m
Defined contribution schemes	**1.1**	1 1	0 8

Defined benefit schemes

The Company operates a defined benefit scheme, the Biffa Pension Scheme (the "Scheme"), formerly the UK Waste Pension Scheme, for employees of Biffa Waste Services Limited and Biffa Limited The scheme offers both pensions in retirement and death benefits to members Prior to 31st March 2007 there were a number of employees who held benefits in the Severn Trent Pension Scheme and the Severn Trent Senior Staff Pension Scheme These members joined the Biffa Pension Scheme with effect from 1st April 2007 Contributions to the Scheme for the year beginning 2nd April 2011 are currently subject to ongoing negotiation, but are expected to be £6 6 million

There is an additional £1 1 million (2010 £1 1 million) of unfunded defined benefit promise which has been included within the liabilities The accounting policy used to recognise the actuarial gains and losses is the Statement of Comprehensive Income (SOCI) approach

A full actuarial valuation of the scheme was carried out as at 31st March 2009 and has been updated to 1st April 2011 by a qualified independent actuary The major assumptions used by the actuary were (in nominal terms) as follows

	2011	2010	2009
Discount rate	**5.6%**	5 6%	5 8%
Rate of salary increase	**3.3%**	3 5%	4 0%
Pension increases			
RPI with floor of 0%, cap of 2 5% pa	**2.2%**	2 3%	2 3%
RPI with floor of 0%, cap of 5% pa	**3.2%**	3 4%	2 5%
RPI with floor of 0%, cap of 6% pa	**3 3%**	3 5%	2 5%
Rate of RPI inflation	**3.3%**	3 5%	2 5%
Rate of CPI inflation	**2 6%**	n/a	n/a

* In excess of any Guaranteed Minimum Pension (GMP)

The expected future lifetime of a male pensioner currently aged 65 is 20 4 years The expected future lifetime from age 65 of a male member currently aged 50 is 23 0 years The expected future lifetime of a female pensioner currently aged 65 is 23 4 years The expected future lifetime from age 65 of a female member currently aged 50 is 26 2 years

The assumptions used in determining the overall expected return of the scheme have been set with reference to yields available on government bonds and appropriate risk margins

24 PENSION AND POST RETIREMENT BENEFITS (CONTINUED)

The assets in the Scheme and the expected rates of return were

	2011 £m	2011 %	2010 £m	2010 %	2009 £m	2009 %
Asset category						
Equities	92 2	8.3%	97 2	8 5%	97 2	8 0%
Bonds	80 9	4 8%	88 4	5 0%	83 0	4 9%
Properties and infrastructure	32 7	6 8%	32 8	7 0%	23 2	6 0%
Hedge funds	42 8	8.3%	36 5	8 5%	-	-
Other	23 9	4 2%	1 5	4 4%	2 0	0 5%
Total	272 5		256 4		205 4	
Expected return on assets		6 7%		7 1%		6 4%

* It should be noted that the asset portfolio was changed shortly after the 2009 year end, and therefore a lower rate of 6 1% representing the new asset allocation was used in respect of the expected returns on assets over the year 2009/10

	2011	2010	2009
Actual return on assets over the period	14.4	48 1	(26 2)

The amounts recognised in the balance sheet are determined as follows

	2011 £m	2010 £m	2009 £m
Present value of defined benefit obligations	(253.5)	(245 3)	(214 2)
Fair value of funded plan assets	272.5	256 4	205 4
Net asset/(liability) recognised	19.0	11 1	(8 8)

Change in defined benefit obligation

	2011 £m	2010 £m	2009 £m
Present value of defined benefit obligations at start of period	245 3	214 2	-
Present value of defined benefit obligations acquired	-	-	215 3
Current service cost	5.8	6 5	7 8
Curtailments	-	(1 1)	(1 7)
Past service cost	0.3	0 7	1 0
Plan participant contributions	1.6	1 8	2 4
Interest cost	13.7	12 4	13 7
Actuarial loss/(gain) on liabilities	(4.2)	20 2	(12 8)
Age related rebates	0.2	0 2	-
Benefits paid	(9.2)	(9 6)	(11 5)
	253.5	245 3	214 2

WASTEINVESTMENTS LLP
NOTES TO THE FINANCIAL STATEMENTS
For the 52 weeks ended 1 April 2011

24 PENSION AND POST RETIREMENT BENEFITS (CONTINUED)

Change in plan assets

	2011 £m	2010 £m	2009 £m
Fair value of plan assets at start of period	**256.4**	205 4	-
Fair value of plan assets acquired	-	-	215 3
Expected return on plan assets	**18.2**	12 7	15 4
Actuarial gain/(loss) on assets	**(3.8)**	35 8	(36 4)
Employer contributions	**9.1**	10 1	20 2
Plan participant contributions	**1.6**	1 8	2 4
Age related rebates	**0.2**	0 2	-
Benefit paid	**(9.2)**	(9 6)	(11 5)
Fair value of plan assets at end of period	**272.5**	256 4	205 4

Amounts recognised in the income statement

	2011 £m	2010 £m	2009 £m
Current service cost (note i)	**5.8**	6 5	7 8
Settlements / Curtailments (note i)	-	(1 1)	(1 7)
Interest cost (note ii)	**13.7**	12 4	13 7
Expected return on assets (note ii)	**(18.2)**	(12 7)	(15 4)
Recognised past service cost (note i)	**0.3**	0 7	1 0
Total	**1.6**	5 8	5 4

(i) These costs are included within operating costs in the income statement
(ii) The expected return on assets less the interest cost is included within finance income in the income statement
(iii) These costs are included within exceptional costs in the income statement.

Amount recognised in the SOCI

	2011 £m	2010 £m	2009 £m
Actuarial (gains)/losses	**(0.4)**	(15 5)	23 6
	(0.4)	(15 5)	23 6
Percentage of scheme liabilities	**(0.2%)**	(6 3%)	11 0%

The cumulative amount of actuarial gains and losses recognised in the SOCI since incorporation of IFRS is a cumulative loss of £7 7 million, less a deferred tax credit of £2 0 million

History of experience gains and losses

	2011	2010	2009
Experience adjustments arising on scheme assets			
Amount (£m)	(3.8)	35 8	(41 6)
Percentage of scheme assets	(1 4%)	14 0%	(20 3%)
Experience adjustment arising on scheme liabilities			
Amount (£m)	4 2	(20 2)	12 8
Percentage of the present value of the scheme liabilities	1 7%	8 2%	(6 0%)
Present value of scheme liabilities (£m)	(253 5)	(245 3)	(214 2)
Fair value of scheme assets (£m)	272 5	256 4	205 4
Surplus/(deficit) (£m)	19 0	11 1	(8 8)

25 BUSINESS COMBINATIONS

The Group has adopted IFRS 3 (2008) 'Business Combinations' and IAS 27 (2008) 'Consolidated and Separate Financial Statements' with effect from 3 April 2010 The financial impact of the adoption of this standard was to increase exceptional costs and reduce goodwill by £18 7 million due to the requirement under IFRS 3 (2008) to expense acquisition-related costs

Acquisition of Greenstar

On 6th August 2010, Montagu Private Equity and Global Infrastructure Partners (via WasteInvestments LLP) completed their acquisition of 100% of the ordinary share capital of Greenstar Holdings Limited ("Greenstar") from NTR plc ("NTR"), for a total consideration of approximately £91 million Greenstar was subsequently transferred, at market value, to Biffa Group Limited on 13 August 2010

Greenstar is one of the leading recycling-led waste management service providers in the UK, providing solutions to a large number of blue chip clients in the commercial and industrial sectors The acquisition of Greenstar is complementary and provides a strong fit with Biffa's strategy to grow its recycling footprint and increase its capacity to provide innovative and tailored waste management solutions to its customers in the UK

The Group acquired the following aggregate assets and liabilities during the year

	Book value £m	Fair value £m
Property, plant and equipment	55 5	50 6
Intangible assets	86 1	28 8
Inventories	1 8	1 5
Trade and other receivables	31 3	30 6
Cash and cash equivalents	3 3	2 8
Interest-bearing liabilities	(40 6)	(40 6)
Provisions	(0 4)	(5 1)
Trade and other payables	(26 8)	(27 9)
Current tax assets	0 2	0 2
Deferred tax assets/(liabilities)	4 1	(1 7)
Net identifiable assets/(liabilities)	114 5	39 2
Goodwill (note 9)		51 8
Total consideration		**91.0**
Consideration paid, satisfied in cash		91 0
Net cash outflow		**91 0**

The fair value of the financial assets includes trade receivables with a fair value of £23 3 million and a gross contractual value of £23 3 million The best estimate at acquisition date of the contractual cash flows not to be collected are £nil

The goodwill of £51 8 million arising from the acquisition consists primarily of the future economic benefit which is expected to arise from the Greenstar recycling facilities None of the goodwill is expected to be deductible for income tax purposes

Acquisition-related costs (included in exceptional costs) amount to £18 7 million

Greenstar contributed £111 9 million revenue and £1 1 million to the Group's profit for the period between the date of acquisition and the balance sheet date

If the acquisition of Greenstar had been completed on the first day of the financial year, group revenues for the period would have been £830 6 million and group loss before tax would have been £136 0 million

26 RELATED PARTY TRANSACTIONS

Transactions with joint venture undertakings

	52 weeks ended 1 April 2011 £m	53 weeks ended 2 April 2010 £m
Sales to Biogeneration Limited	-	0 5
Sales to Canford Renewable Energy Limited	-	1 2
	-	1 7

All sales to the Group's joint ventures are made on an arm's length basis

Transaction with investees

Certain members of the LLP are employed by Biffa Waste Services Limited, a subsidiary of the LLP, and provide management services to the WasteInvestments LLP Group as a whole Their remuneration in their capacity as employees of Biffa Waste Services Limited is disclosed in the notes to the financial statements of that company and in the notes to these consolidated financial statements (see note 7)

Montagu Private Equity, an investee in WasteInvestments LLP, the ultimate parent of Biffa Group Limited, receive a fee of £250,000 per annum for management services provided Fees incurred in the period and charged to the income statement are £249,315 (2010 £254,110) plus expenses of £29,812 (2010: £22,686), totalling £279,127 (2010 £276,796) A total of £280,325 (2010 £227,310) was paid during the period in respect of these services

Additional fees of £847,880 (2010 £116,896) have been charged to the income statement in the period relating to support services provided by Montagu Private Equity, of which £637,090 (2010: £116,896) were paid in the period, the balance of £210,790 being accrued for Of these fees, £200,000 related to director services provided in respect of M Keough

Global Infrastructure Partners ("GIP"), also an investee in WasteInvestments LLP, the ultimate parent of Biffa Group Limited, receive a fee of £250,000 per annum for management services provided. Fees incurred in the year and charged to the income statement are £249,315 (2010 £254,110) A total of £250,000 (2010 £204,624) was paid during the period in respect of these services

A further £1,074,281 (2010 £1,240,136) has been charged to the income statement in the period in respect of support services provided by GIP, of which £872,480 (2010 £1,031,622) were paid in the year, the balance of £201,801 (2010 £208,514) being accrued for

Fees of £177,885 were paid in the period to J D G McAdam Associates, in respect of director services provided A further £58,365 was paid to J D G McAdam Associates in respect of support services provided

27 CONTINGENT LIABILITIES

Biffa must satisfy the financial security requirements of environmental agencies in order to ensure that it is able to discharge the obligations in the licences or permits that the Group holds for its landfill sites Biffa satisfies these financial security requirements by providing financial security bonds The amount of financial security which is required is determined in conjunction with the regulatory agencies, as is the method by which assurance is provided Biffa has existing bond arrangements in England and Wales of approximately £93 million outstanding at 1 April 2011 (2 April 2010 £92 million) in respect of the Group's operational sites where the Group has financial security obligations under the Environment Agency's "fit and proper person" test No liability is expected to arise in respect of either bonds or guarantees

28 SERVICE CONCESSION ARRANGEMENTS

The Group's Municipal division has a number of contracts with local authorities In the period ended 1 April 2011, these contracts generated revenues of £99 7 million (2010 £53 1 million) These contracts have an average remaining term to expiry of 4 years, ranging between 1 to 9 years

In addition to this, the Group has three integrated waste management contracts with Leicester City Council (25 years - awarded in 2003), Isle of Wight Council (18 years - awarded in 1997) and West Sussex County Council (25 years – awarded in 2010) The concessions vary as to the extent of their obligations, but typically require the construction and operation of an asset during the concession period The operation of the assets may include the provision of waste management services such as collection, recycling and disposal Typically at the end of concession periods the assets are returned to the concession owner

These three contracts generated revenue of £37 9 million in period ended 1 April 2011 (2010 £26 7 million) The Group has adopted IFRIC 12 Service Concession Arrangements in the period, which alters the way that these arrangements are accounted for – refer to note 1

29 ULTIMATE CONTROLLING PARTIES

The members consider the joint ultimate controlling parties to be Montagu Private Equity and Global Infrastructure Partners

WASTEINVESTMENTS LLP
LIMITED LIABILITY PARTNERSHIP FINANCIAL STATEMENTS

Management Board and Advisers

Management Board

- HSBC Global Trustee Custody Nominee (UK) Limited (on behalf of Montagu Private Equity)
- Global Infrastructure Partners Bravo Holdings (Cayman) Limited

Designated Members

- HSBC Global Trustee Custody Nominee (UK) Limited
- GIP Bravo Holdings (Cayman) Limited

Auditors

Deloitte LLP
Chartered Accountants and Registered Auditors
London
United Kingdom

Solicitors

Linklaters
One Silk Street
London EC2Y 8HQ

Registered Office

Coronation Road
Cressex
High Wycombe
Buckinghamshire HP12 3TZ

WASTEINVESTMENTS LLP
LIMITED LIABILITY PARTNERSHIP FINANCIAL STATEMENTS

Members Report

The Management Board presents its report and the audited financial statements of WasteInvestments LLP for the 52 week period ended 1 April 2011

Principal activities

The principal activity of the LLP is that of a holding company The principal activities of its subsidiaries are the provision of integrated waste management services, comprising collection, treatment and recycling, and disposal of waste and the provision of energy services with the majority of its business in the United Kingdom

Legal structure

The legal structure of the LLP is as stated in the WasteInvestments Limited Liability Partnership Agreement ("the Partnership Agreement") dated 17 April 2008

Designated members

The designated members of WasteInvestments LLP during the period were

HSBC Global Trustee Custody Nominee (UK) Limited
GIP Bravo Holdings (Cayman) Limited

Members' profit shares and drawings

Members are remunerated solely out of the profits of the LLP Allocation of profits to the members is made in accordance with the terms of the Partnership Agreement Cash distributions are made at the Management Board's discretion after due regard to the amounts determined by the Management Board to be reasonably necessary to meet the working capital needs of the LLP

Financing

The LLP is financed through members' capital and the ongoing results arising out of its principal activities

Members' responsibilities statement in respect of the financial statements

The members are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

The Limited Liability Partnership Regulations 2001 made under the Limited Liability Partnerships Act 2000 requires the members to prepare financial statements for each financial year Under that law the members have elected to prepare the parent partnership financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) Under that law, the members must also not approve the financial statements unless they are satisfied that that they give a true and fair view of the state of affairs of the partnership and of the profit or loss of the partnership for that period

In preparing the parent partnership financial statements, the members are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the partnership will continue in business

The members are responsible for keeping proper accounting records that are sufficient to show and explain the partnership's transactions and disclose with reasonable accuracy at any time the financial position of the partnership and enable them to ensure that the financial statements comply with the Companies Act 2006, as applicable to limited liability partnerships They are also responsible for safeguarding the assets of the partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

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

These responsibilities are fulfilled by the Management Board on behalf of the members

On behalf of the Management Board

MARK DUNFOY
Designated Member

21 June 2011

WASTEINVESTMENTS LLP
LIMITED LIABILITY PARTNERSHIP FINANCIAL STATEMENTS
PROFIT AND LOSS ACCOUNT

	Notes	**52 weeks ended 1 April 2011 £'000**	53 weeks ended 2 April 2010 £'000
Revenue		-	-
Cost of sales		-	-
Gross profit		-	-
Administrative expenses		(76)	-
Operating profit		(76)	-
Interest receivable and similar income	*P1*	**145.980**	82,866
Profit for the period before members' remuneration and profit shares		**145,904**	82,866
Profit for the period before members' remuneration and profit share		**145,904**	82,866
Members' remuneration charged as an expense	*P5*	**(145,904)**	(82,866)
Result of the period available for discretionary division among members		-	-

All the amounts above relate to continuing operations and are attributable to the members of WasteInvestments LLP

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss account above

There is no material difference between the result for the financial period above and its historical cost equivalent

WASTEINVESTMENTS LLP
LIMITED LIABILITY PARTNERSHIP FINANCIAL STATEMENTS
BALANCE SHEET

	Notes	As at 1 April 2011 £'000	As at 2 April 2010 £'000
Assets			
Non-Current assets			
Investments	*P2*	**10,000**	10,000
		10,000	10,000
Current Assets			
Debtors	*P4*	**1,169,856**	857,646
Cash at Bank		**287**	363
		1,170,143	858,009
Net Assets Attributable to Members		**1,180,143**	868,009
REPRESENTED BY:			
Members interests classified as debt under FRS 25			
Class B Partnership Interests	*P5*	**(849,072)**	(749,830)
Class C Partnership Interests	*P5*	**(132,274)**	(107,816)
Class D Partnership Interests	*P5*	**(188,434)**	-
		(1,169,780)	(857,646)
Net assets		**10,363**	10,363
Members' Equity			
Class A Partnership Equity	*P5*	**10,363**	10,363

The financial statements of WasteInvestments LLP, registered number OC334618, on pages 57 to 63 were approved on behalf of the members of WasteInvestments LLP by

MARK DUNFOY
Designated member

21 June 2011

WASTEINVESTMENTS LLP
LIMITED LIABILITY PARTNERSHIP FINANCIAL STATEMENTS
CASH FLOW STATEMENT

	52 weeks ended 1 April 2011 £'000	53 weeks ended 2 April 2010 £'000
Cash generated from operations	**(76)**	
Acquisitions		
Purchase of subsidiary undertakings	-	-
Net cash outflow for acquisitions	-	-
Transactions with members		
Contributions by members	-	231
Net cash inflow from transactions with members	-	231
Financing		
Loans made to subsidiary undertakings	-	-
Net cash outflow from financing activities	-	-
Net movement in cash and cash equivalents	(76)	231
Reconciliation to net cash		
Net movement in cash and cash equivalents	(76)	231
Cash and cash equivalents at beginning of period	363	132
Cash and cash equivalents at end of period	**287**	363

Accounting Policies

These entity only financial statements of WasteInvestments LLP are prepared on the going concern basis (as discussed below), under the historical cost convention and in accordance with the Companies Act 2006 and accounting standards generally accepted in the United Kingdom ("UK GAAP") The financial statements have also been prepared in compliance with the Statement of Recommended Practice "Accounting by Limited Liability Partnerships" as issued by The Consultative Committee of Accountancy Bodies, March 2006

The principal accounting policies which have been applied consistently throughout the period are set out below

Going concern

WasteInvestments LLP is the parent company of the Group The following factors have been considered as part of the Group's going concern review

- Liquidity - the Group has considerable financial resources in the form of long term committed borrowing facilities (detailed in note 16 to the financial statements)

- Covenants - the Group is required to comply with certain covenants under both the Senior Finance and Mezzanine debt facilities With reference to this, the Group's forecasts and projections have been reviewed

- Contracts - the Group has a large number of contracts with its customers and suppliers across different industries This includes long-term municipal and integrated waste management contracts (detailed in note 30 to the financial statements)

After reviewing the above and taking into account current and future developments as discussed in the Business Review in the accounts of Biffa Group Limited, the directors have a reasonable expectation that the company, and the Group, are well placed to manage its business risks successfully, despite the current uncertain economic outlook, and have adequate resources to continue in operational existence for the foreseeable future Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts

Investments

Investments in subsidiary undertakings are shown at cost, plus incidental expenses less any provision for impairment Annually, the members consider whether any events or circumstances have occurred which indicate that the carrying value of fixed asset investments may not be recoverable If such circumstances do exist, a full impairment review is undertaken to establish whether the carrying amount exceeds the higher of net realisable value or value in use If this is the case, an impairment provision is recorded to reduce the carrying value of the related investment

Taxation

Income tax payable on the profits of the LLP is solely the liability of the individual members of those LLPs and consequently is not dealt with in these financial statements

Allocation of profits and drawings

Profits are allocated in proportion to the class of partnership equity interests held and in accordance with the terms of the WasteInvestments LLP Partnership Agreement Distributions out of cash are made at the Management Board's discretion after due regard to the amounts determined by the Management Board to be reasonably necessary to meet the working capital needs of the LLP

P1 INTEREST RECEIVABLE AND SIMILAR INCOME

	52 weeks ended 1 April 2011 £'000	53 weeks ended 2 April 2010 £'000
Interest due from group undertakings		
Interest receivable on £614,424,836 Fixed Rate Unsecured Loan Note 2018	99,296	68,744
Interest receivable on £80,000,000 Fixed Rate Unsecured Loan Note 2018	24,465	14,122
Interest receivable on £166,230,000 Fixed Rate Unsecured Loan Note 2018	22,219	-
	145,980	82,866

P2 FIXED ASSETS INVESTMENTS

	As at 1 April 2011 £'000
At 2 April 2010	10,000
At 1 April 2011	**10,000**

The LLP's direct investment in the balance sheet date is in the share capital of the following company

Name of company	Activity	Class of share	% of shares held	Country of Incorporation
WasteEquityco	Intermediate holding company	Ordinary	100.00	Cayman Islands

The members consider that to give full particulars of all indirectly held subsidiary undertakings would lead to a statement of excessive length The following information relates to those undertakings of the LLP at the period end whose results and financial position, in the opinion of the members, principally affect the figures of the LLP as holding partnership of those undertakings

Name of company	Activity	Class of share	% of shares held	Country of Incorporation
WasteShareholderco 1	Intermediate holding company	Ordinary	100.00	Cayman Islands
WasteShareholderco 2	Intermediate holding company	Ordinary	100.00	Cayman Islands
Biffa Group Limited	Intermediate holding company	Ordinary	100.00	United Kingdom
Biffa Waste Services Limited	Waste management services	Ordinary	100.00	United Kingdom
Biffa Waste Management Limited	Waste management services	Ordinary	100.00	United Kingdom
UK Waste Management Limited	Waste management services	Ordinary	100.00	United Kingdom

P3 MEMBERS' PROFIT SHARES

The basis on which profits are shared among members is set out in the accounting policies note on page 60

The average monthly number of members during the period was 49

The profit attributable to the members with the largest entitlement to profit in the period is £49,169,422

P4 DEBTORS AMOUNTS FALLING DUE IN MORE THAN ONE YEAR

	As at 1 April 2011 £'000	As at 2 April 2010 £'000
Amounts due from group undertakings	**1,169,856**	857,646

Amounts due from group undertakings are unsecured and are repayable in April 2018 The amounts due from group undertakings incur interest at the following rates

	Applicable interest rate
£614,424,836 Fixed Rate Unsecured Loan Note 2018	11 25%
£80,000,000 Fixed Rate Unsecured Loan Note 2018	17 75%
£166,230,000 Fixed Rate Unsecured Loan Note 2018	20 00%

P5 TOTAL MEMBERS' INTEREST

	Equity			Debt			
	Class A Partnership Equity £'000	Other reserves £'000	Total £'000	Class B Partnership Equity £'000	Class C Partnership Equity £'000	Class D Partnership Equity £'000	Total £'000
27 March 2009	10,363	-	10,363	681,086	93,694	-	774,780
Members' remuneration charged as an expense	-	-	-	68,744	14,122	-	82,866
2 April 2010	**10,363**	**-**	**10,363**	**749,830**	**107,816**	**-**	**857,646**
Introduced by members	-	-	-	-	-	166,230	166,230
Members' remuneration charged as an expense	-	-	-	99,242	24,458	22,204	145,904
1 April 2011	**10,363**	**-**	**10,363**	**849,072**	**132,274**	**188,434**	**1,169,780**

The Class B, Class C and Class D partnership interests are repayable following repayment of the partnership's loans to its subsidiary undertakings as described in note P4 at the amount of cash received in respect of those loans

The basis on which profits are allocated is described in the accounting policies on page 60 Loans and others debts due to members represent profits not yet paid to members Such profits are payable at the discretion of the Management Board No amounts due to members have been distributed as cash in the period and the amounts due to members are not expected to be paid within one year

In the event of a winding-up, loans and other debts due to members rank equally with unsecured creditors Members' capital and other reserves rank after unsecured creditors

P6 RELATED PARTY TRANSACTIONS

Certain members of the LLP are employed by Biffa Waste Services Limited, a subsidiary of the LLP, and provide management services to the WasteInvestments LLP Group as a whole Their remuneration in their capacity as employees of Biffa Waste Services Limited is disclosed in the notes to the financial statements of that company and in the notes to the consolidated financial statements of the LLP

In addition, Montagu Private Equity and Global Infrastructure Partners, the ultimate controlling parties of the LLP receive fees in respect of management services which they provide to the WasteInvestments LLP Group as a whole These fees are disclosed in the notes to the consolidated financial statements of the LLP

There were no other transactions with members of the LLP in the period, other than allocations of the profit arising in the period (see notes P1 and P5)

P7 ULTIMATE CONTROLLING PARTIES

The ultimate controlling parties of the LLP are considered to be Montagu Private Equity and Global Infrastructure Partners