Company Registration No. SC324466 (Scotland)

SPECIALIST WASTE RECYCLING LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2020

SPECIALIST WASTE RECYCLING LIMITED

COMPANY INFORMATION

Directors	R Pike	(Appointed 12 March 2019)
	M Topham	(Appointed 12 March 2019)
	Biffa Corporate Services	(Appointed 12 March 2019)
Secretary	S Parsons	
Company number	SC324466	
Registered office	Annan Suite 10 York Place Edinburgh Scotland EH1 3EP	
Auditor	Deloitte LLP 2 New Street Square EC4A 3BZ	
Bankers	Royal Bank of Scotland 10 North Street Guildford GU1 4AQ	

SPECIALIST WASTE RECYCLING LIMITED

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SPECIALIST WASTE RECYCLING LIMITED

STRATEGIC REPORT

FOR THE PERIOD ENDED 31 MARCH 2020

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

These financial statements are for the 15 month period ended 31 March 2020. Extension of the reporting period was to achieve a co-terminus year end with the Company's parent; Biffa plc and its subsidiaries. The comparative figures are for the year ended 31 December 2018.

On 12 March 2019, Biffa Waste Services Limited acquired 100% of the issued share capital of Specialist Waste Recycling Limited. It was in order to extend the Group's commercial customer base and is highly complementary to the Biffa Group's existing business.

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

As the company forms part of the Biffa Group, the governance framework adopted by Biffa plc has been applied by the company as a subsidiary and the matters that the directors of the company are responsible for considering under s.172 have been considered to an appropriate extent by the Biffa plc Board in relation to both the Biffa Group and the company. Further details of how the Biffa plc Board has considered the matters set out in s.172 (for the Group and for the company) are set out in the Biffa plc Annual Report & Accounts, which doesnot form part of this report. During the year, the directors have also considered, both individually and together, relevant matters where appropriate.

Employees
The company either directly or through other Biffa Group companies, has various formal and informal processes to actively engage with its employees. Employee engagement is measured through the Biffa Group annual engagement survey, which provides valuable insight in respect of engagement and culture. Key findings are presented to the Biffa Group Executive team and the Biffa plc Board, improvement areas are identified and action plans developed for the Biffa Group as a whole. Other channels for engagement include the employee app, employee roadshows, all employee calls, newsletters and the intranet. The directors use these processes and channels to understand employees' views and take these into account when making decisions.

Customers, Suppliers and Other Stakeholders
The company, either directly or through other Biffa Group companies, engages with customers, suppliers and other stakeholders through multiple channels. During the year, engagement included face to face meetings, social media interaction, surveys, and via the corporate website. The directors received reports and presentations from management on the engagement activities and therefore were provided with a diverse and broad understanding of the issues most relevant to our stakeholders and allowed them to take into account the interest of those stakeholders when performing their duties under s.172.

Our Strategy
Biffa has a clear strategy for growth based on three strategic pillars; grow our market share; develop services and infrastructure; and optimise systems and processes.

SWR is focused on supporting the growth of market share by offering a differentiated and highly customer orientated service proposition.

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

Review of the financial period

For a detailed review of the Company's position refer to the Balance Sheet on page 15.

The accounting period has been extended this year in order for SWR's year end to become co-terminus with its parent company, as a result these financial statements cover a 15 month period. Underlying revenues, on a year on year basis, continued to be strong and showed a 10% increase over those of 2019, supported by mid-year acquisition of a small competitor. The Company acquired the business and certain assets from IWMS Waste Collections dot com Ltd on 05 June 2019 and integrated the clients into the existing operations immediately.

Price pressure in the market continued to be a factor which resulted in a gross margin reduction of 1.2 percentage points over the period, however, as a result of efficiency improvements, EBITDA remained the same as last year at 7.9% of revenue. The key performance indicators for the company are operating profit and profit before tax derived from the company's principal to customers during the year.

The Group delivered a strong financial performance in the year.

Future outlook

The differentiated offer from Specialist Waste Recycling to the marketplace will continue to attract new customers, however, the effects of Coronavirus in 2020, especially on hospitality and retail customers, will no doubt seethe company's revenue run rate reduce temporarily. Being part of the Biffa Group will deliver enormous opportunities for provision of data to customers in the future which will undoubtedly set Specialist Waste Recycling aside from the other Waste Management Brokers in the market. It has also enabled us to work proactivelywith our customer base to take advantage of the Biffa infrastructure which we previously could not do, for example the PET Bottle Recycling facility.

Subsequent Events

The Covid-19 pandemic was an ongoing event post-date and as such, has had no impact on the company. Additionally, Brexit is also an ongoing issue in the UK. Further information on these two matters is given in the Strategic Report.

The following subsidiaries were struck off on 29 September 2020;

SWR Equipment Limited
SWR Plastics Limited
SWR Waste Management Limited
Smash & Grab Glass Recycling Limited
Wastecutter Limited
National Waste Collection Limited
SWR Just Bins Limited

All entities were non-trading subsidiaries of Specialist Waste Recycling Limited.

UN Sustainable Development Goals
Sustainability isn't new to Biffa - it has been core to our business and investment plans since the business and the wider industry began to move away from landfill disposal and into recycling and renewable energy.

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

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

It includes a commitment to unlock £1.25bn of investment in green economy infrastructure, whilst reducing our CO2 emissions by a further 50% in the coming decade. When combined with what Biffa has achieved in the last 15 years, that will amount to a reduction in our CO2 emissions by over 80%.

'Resourceful, Responsible' is inextricably linked to Biffa's strategic framework and the investment in green economy infrastructure includes plastics recycling - which reduces the carbon intensity of packaging; Collections acquisitions - which reduce the carbon intensity of business collections as well as improving local air quality and reducing traffic congestion; and EfW - which helps reduce the UK's dependence on fossil fuels. In addition to those existing plans we have outlined our ambition to invest in solar energy across our legacy landfill land bank, and our commitment to phase out the purchase of diesel refuse vehicles by 2030.

It's a bold and ambitious plan, but it is grounded in known technologies and solid investment opportunities that we are well positioned to deliver.

Going concern
Since reporting of the Biffa Group's full year results for year ending 27 March 2020, Covid-19 continues to have a significant impact on the Biffa Group's financial and operational performance. However, gradual improvements have been seen across all divisions in the business including SWR. The Biffa Group's latest financial performance forecast for the next 12 months is in line with management expectations and sales volumes are expected to be maintained for the rest of 2021 financial year. Current forecasts also expects that the Biffa Group will return to near prior year levels at the end of FY22.

Principal risks
The directors are aware of the need to review all aspects of risk which are likely to affect the financial stability of the company, whether it be from either the sales or the cost side of the business. On an annual basis the directors carry out a detailed internal risk assessment analysis on all aspects of the business. The key risks that may prevent the company from achieving its objectives are:

- The technologies employed fail to deliver expected performance or end product for the markets in which the company operates.
- The company's service offerings fail to react to legislative and market dynamics.
- The company has contractual and other arrangements with numerous third parties in support of its business. None of these is considered, individually, to be essential to the business of the company.

In mitigation of the above risks, the company continues to make significant investment in new technologies and regularly review their service offerings to ensure they are fully compliant and meet the needs of its customers.

Financial risks
The Groups operations expose it to a variety of financial risks that include credit risk, liquidity risk and interest rate risk. The Group has in place a risk management programme that seeks to limit adverse affects on the financial performance of the group.

Liquidity risk
The Group retains sufficient cash to ensure it has sufficient available funds for operations and planned expansions. The Group also has access to longer term funding if required.

Principal risks (continued)

Interest rate risk
The Group has interest bearing assets which include cash balances, all of which earn interest at a floating rate.

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

Brexit risk
As the service we provide is predominantly delivered locally to UK-based customers, the impact of Brexit on our business is not as significant as it is to other businesses. Key risks for SWR, as a waste broker, include ,the indirect impact of imposition of tariffs and potential constraint of labour supplies. As a board, we will continue to closely monitor developments in the UK Government's Brexit plans and any potential impacts on the company and so like most businesses we are keen to have certainty over how Brexit will be implemented.

Covid-19 risk
The Covid-19 pandemic is unprecedented. During the pandemic, there has been substantial support from the UK Government, the measures most relevant to the Group are furlough payments and tax payment deferrals

Employees

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

The Company puts employee engagement at the heart of its people strategy and plans and the Group remains committed to further increasing employee engagement. Employee engagement remains stable at 58%, following a 5% increase in the prior year. Although levels have remained stable this year, we are still ahead of our strategic target and ahead of the UK average.

The group engages with employees throughout the year through multiple communication channels including: face-to-face roadshows, conference calls, recorded vlogs and our employee app, Biffa Beat.

The group continue to invest in the personal development of our colleagues. The Learning and DevelopmentTeam provides a broad selection of programmes ranging from compliance and technical training to management and leadership development. The group has also invested in a comprehensive portfolio of e-learning modules, allowing all employees access to relevant and timely learning content.

The anti-fraud, bribery and corruption policy and procedure sets out the standards that are expected of employees and the systems and procedures which Biffa employs to minimise the opportunity for fraudulent or corrupt behaviour taking place and how it will deal with any instances of such behaviour. It applies to all our employees and appropriate parts of the policy are also applied to representatives, joint venture partners and outsourcing partners. It includes guidance to employees on the giving, receiving and recording of business gifts and hospitality.

The group are committed to promoting D&I across all areas, including gender and ethnicity. The industry in which the Group operate in has traditionally employed more men than women. Across the Group, the workforce comprises 12% female and 88% male employees. There is therefore lots more to do in this area and it remains a key focus.

The Group believe that diversity enhances our effectiveness and we will continue to address the gender imbalance when making future Board and senior leader appointments and will strive to develop a diverse pipeline of executive talent.

Although women account for only 12% of the overall workforce, they are better represented within professional and managerial roles which means on average they receive high levels of pay in the business. This results in a negative gender pay gap.

The group are working to create a consistently inclusive environment where differences are valued and all colleagues can thrive. The group delivered D&I training to all senior leaders during 2019, introduced an e- learning module on diversity for all managers and plan to deliver D&I training to front line employees during 2020.

The diversity policy also covers specific arrangements for people with disabilities including:

- giving full and fair consideration to applications from disabled persons, having regards for their skills and abilities;
- continuing the employment of and arranging appropriate training for those who have become disabled while at Biffa; and
- career development and promotion of disabled employees.

Employees (Continued)

Working together safely
The waste management industry carries inherent Health & Safety (H&S) risks and the group are committed to keeping people, customers and the general public safe and well. Protecting the health, safety and wellbeing of employees has been the top priority throughout the COVID-19 pandemic. Biffa has always been an industry leader, setting extremely high safety standards. The Group were delighted to see the achievement of the planned year-on-year reduction in the Lost Time Injury rate as well as the introduction of a new H&S culture change programme, 'Safer Together'.

On behalf of the board

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R Pike
Director
14 June 2021

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 MARCH 2020

The directors present their annual report and financial statements for the period ended 31 March 2020.

Principal activities
The principal activity of the Company and Group continued to be that of professional waste management.

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

R Pike	(Appointed 12 March 2019)
M Topham	(Appointed 12 March 2019)
Biffa Corporate Services	(Appointed 12 March 2019)

Results and dividends
The results for the period are set out on page 13.

No ordinary dividends were paid (2019: £nil). The directors do not recommend payment of a final dividend.

Qualifying third party indemnity provisions
In accordance with the company's Articles, and to the extent permitted by law, the company may indemnify its directors out of its own funds to cover liabilities arising as a result of their office. The group holds directors' and officers' liability insurance cover for any claim brought against directors or officers for wrongful acts in connection with their positions, but the cover does not extend to claims arising from dishonesty or fraud.

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

Principal risks and uncertainties
Information on financial exposure and risk management is disclosed within the Strategic Report on page 4.

Post reporting date events
The following subsidiaries were struck off on 29 September 2020;

- SWR Equipment Limited
- SWR Plastics Limited
- SWR Waste Management Limited
- Smash & Grab Glass Recycling Limited
- Wastecutter Limited
- National Waste Collection Limited
- SWR Just Bins Limited

All entities were non-trading subsidiaries of Specialist Waste Recycling Limited.

Auditor
Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and Deloitte LLP, Statutory Auditor, will therefore continue in office.

Statement of disclosure to auditor
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken allthe necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

This confirmation is given and should be interpreted in accordance with the requirements of section 418 of the Companies Act 2006.

Going concern
The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Group Strategic Report.

The Group has adequate financial resources and as consequence the directors believe that based upon forecasts prepared the Group is well placed to manage its business risks and continue in operational existence for the foreseeable future.

Matters covered in the Strategic Report
Key performance indicators and a business review for the period ending 31 March 2020 are disclosed in the Strategic Report as required by s.414C(11) of the Companies Act 2006.

On behalf of the board

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R Pike
Director
Date: 14 June 2021

SPECIALIST WASTE RECYCLING LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE PERIOD ENDED 31 MARCH 2020

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

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

Independent auditor's report to the members of Specialist Waste Recycling Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Specialist Waste Recycling Limited (the 'parent company') and its subsidiaries (the 'group'):

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2020 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated profit and loss account;
- the consolidated and parent company balance sheets;
- the consolidated and parent company statements of changes in equity;
- the consolidated and parent company cash flow statement;
- the accounting policies; and
- the related notes 1 to 31.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information
The directors are responsible for the other information. The other information comprises the information included in the annual report1, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Responsibilities of directors
As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:
- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the group and of the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Makhan Chahal ACA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
2 New Street Square
London
EC4A 3BZ
14 June 2021

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 31 MARCH 2020

	Notes	Period ended 31 March 2020 £	Year ended 31 December 2018 £
Turnover	3	55,005,910	40,064,714
Cost of sales		(44,533,577)	(31,984,639)
Gross profit		10,472,333	8,080,075
Administrative expenses		(7,893,144)	(6,020,650)
Operating profit	4	2,579,189	2,059,425
Interest receivable and similar income	8	10,596	3,664
Interest payable and similar expenses	9	(1,524)	(2,543)
Profit before taxation		2,588,261	2,060,546
Tax on profit	10	(99,265)	(80,553)
Profit for the financial period		2,488,996	1,979,993
Retained earnings brought forward		(2,294,819)	(4,274,812)
Profit for the year		2,488,996	1,979,993
Retained earnings carried forward		194,177	(2,294,819)

Alternative profit measure		£	£
EBITDA*		4,293,259	3,159,718

* Earnings before interest, tax, depreciation and amortisation.

Profit for the financial period is all attributable to the owners of the parent company.

The Group has no recognised income or expenses other than the profit above and therefore no separate Statement of Other Comprehensive Income has been presented.

SPECIALIST WASTE RECYCLING LIMITED

CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH 2020

	Notes	2020 £	2020 £	2018 £	2018 £
Fixed assets					
Goodwill	12		117,268		332,566
Other intangible assets	12		4,139,874		3,523,561
Total intangible assets			4,257,142		3,856,127
Tangible assets	13		304,226		265,690
			4,561,368		4,121,817
Current assets					
Stocks	16	1,921		-	
Debtors	17	11,713,983		7,186,753	
Cash at bank and in hand		3,554,122		4,346,925	
		15,270,026		11,533,678	
Creditors: amounts falling due within one year	18	(9,852,597)		(9,060,444)	
Net current assets			5,417,429		2,473,234
Total assets less current liabilities			9,978,797		6,595,051
Capital and reserves					
Called up share capital	21		2,430,251		2,257,501
Share premium account	22		7,354,369		6,632,369
Profit and loss reserves			194,177		(2,294,819)
Total equity			9,978,797		6,595,051

The financial statements were approved by the board of directors and authorised for issue on 14 June 2021 ~~and are~~ signed on its behalf by:

....
R Pike
Director

SPECIALIST WASTE RECYCLING LIMITED

COMPANY BALANCE SHEET

AS AT 31 MARCH 2020

	Notes	2020 £	2020 £	2018 £	2018 £
Fixed assets					
Tangible assets	**13**		300,011		259,676
Investments	**14**		7,943,407		5,903,014
			8,243,418		6,162,690
Current assets					
Debtors	**17**	8,346,922		4,858,824	
Cash at bank and in hand		2,726,806		3,171,073	
		11,073,728		8,029,897	
Creditors: amounts falling due within one year	**18**	(8,033,776)		(6,970,390)	
Net current assets			3,039,952		1,059,507
Total assets less current liabilities			11,283,370		7,222,197
Capital and reserves					
Called up share capital	**21**		2,430,251		2,257,501
Share premium account	**22**		7,354,369		6,632,369
Profit and loss reserves			1,498,750		(1,667,673)
Total equity			11,283,370		7,222,197

As permitted by s408 Companies Act 2006, the Company has not presented its own profit and loss account and related notes. The Company's profit for the period was £3,166,423 (2018 - £2,465,023 profit).

The financial statements were approved by the board of directors and authorised for issue on 14 June 2021 ~~and are~~ signed on its behalf by:

....
R Pike
Director

Company Registration No. SC324466

SPECIALIST WASTE RECYCLING LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 31 MARCH 2020

	Note	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Balance at 1 January 2018		2,257,501	6,632,369	(4,274,812)	4,615,058
Period ended 31 December 2018:					
Profit and total comprehensive income for the period		-	-	1,979,993	1,979,993
Balance at 31 December 2018		2,257,501	6,632,369	(2,294,819)	6,595,051
Period ended 31 March 2020:					
Profit and total comprehensive income for the period		-	-	2,488,996	2,488,996
Issue of share capital	21	172,750	722,000	-	894,750
Balance at 31 March 2020		2,430,251	7,354,369	194,177	9,978,797

SPECIALIST WASTE RECYCLING LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 31 MARCH 2020

	Note	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Balance at 1 January 2018		2,257,501	6,632,369	(4,132,696)	4,757,174
Period ended 31 December 2018:					
Profit and total comprehensive income for the period		-	-	2,465,023	2,465,023
Balance at 31 December 2018		2,257,501	6,632,369	(1,667,673)	7,222,197
Period ended 31 March 2020:					
Profit and total comprehensive income for the period		-	-	3,166,423	3,166,423
Issue of share capital	**21**	172,750	722,000	-	894,750
Balance at 31 March 2020		2,430,251	7,354,369	1,498,750	11,283,370

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 31 MARCH 2020

	Note	2020 £	2020 £	2018 £	2018 £
Cash flows from operating activities					
Cash generated from operations	**28**		711,994		3,227,969
Interest paid			(1,524)		(2,543)
Income taxes paid			(254,998)		(396)
Net cash inflow from operating activities			455,472		3,225,030
Investing activities					
Purchase of intangible assets		(2,040,584)		-	
Purchase of tangible fixed assets		(195,092)		(92,565)	
Proceeds on disposal of tangible fixed assets		82,055		-	
Interest received		10,596		3,664	
Net cash used in investing activities			(2,143,025)		(88,901)
Financing activities					
Proceeds from issue of shares		894,750		-	
Repayment of bank loans		-		(1,673)	
Net cash generated from/(used in) financing activities			894,750		(1,673)
Net (decrease)/increase in cash and cash equivalents			(792,803)		3,134,456
Cash and cash equivalents at beginning of period			4,346,925		1,212,469
Cash and cash equivalents at end of period			3,554,122		4,346,925

SPECIALIST WASTE RECYCLING LIMITED

COMPANY STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 31 MARCH 2020

	Note	2020 £	2020 £	2018 £	2018 £
Cash flows from operating activities					
Cash generated from operations	**29**		975,533		2,445,545
Interest paid			(1,716)		(2,079)
Income taxes paid			(170,000)		-
Net cash inflow from operating activities			803,817		2,443,466
Investing activities					
Purchase of tangible fixed assets		(195,092)		(89,590)	
Proceeds on disposal of tangible fixed assets		82,055		-	
Proceeds on disposal of subsidiaries		(2,040,393)		-	
Interest received		10,596		3,664	
Net cash used in investing activities			(2,142,834)		(85,926)
Financing activities					
Proceeds from issue of shares		894,750		-	
Net cash generated from financing activities			894,750		-
Net (decrease)/increase in cash and cash equivalents			(444,267)		2,357,540
Cash and cash equivalents at beginning of period			3,171,073		813,533
Cash and cash equivalents at end of period			2,726,806		3,171,073

1 Accounting policies

Company information

Specialist Waste Recycling Limited ("the company") is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in Scotland. The registered office is Annan Suite, 10 York Place, Edinburgh, Scotland, EH1 3EP.

The group consists of Specialist Waste Recycling Limited and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The preparation of these financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 2).

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Basis of consolidation

The consolidated financial statements incorporate those of Specialist Waste Recycling Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operatingpolicies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 March 2020. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Acquisitions of subsidiaries and businesses are accounted for using the purchase method. The cost of the business combination 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 plus costs directly attributable to the business combination.

Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identified assets and liabilities is recognised as goodwill. If the net fair value of the identifiable assets and liabilities exceeds the cost of the business combination the excess is recognised separately on the face of the consolidated balance sheet immediately below goodwill.

1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1 Accounting policies **(Continued)**

1.4 Reporting period

The Group has changed its accounting reference date from 31 December to 31 March. Extension of the reporting period was to achieve a co-terminus year end with the Company's parent; Biffa plc and its subsidiaries. Therefore, the comparative financial statements relate to the 12 months from 1 January 2018 to 31 December 2018 and this financial period is 15 months from 1 January 2019 to 31 March 2020.

1.5 Turnover

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

Sale of goods

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

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

Rendering of services

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

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

1.6 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is between 5 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least 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.

1.7 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

1 Accounting policies **(Continued)**

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Patents & licences	4 years straight line
Customer relationships	5 years straight line

1.8 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold land and buildings	10% straight line
Plant and equipment	20% - 25% straight line
Fixtures and fittings	20% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

1.9 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the parent company financial statements, investments in associates are accounted for at cost less impairment.

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1 Accounting policies **(Continued)**

1.10 Impairment of fixed assets

At each reporting period end 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 in order to determine theextent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment asa single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

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.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. 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.

1.11 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.12 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1 Accounting policies **(Continued)**

1.13 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transactionis measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end 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 have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expireor are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

1 Accounting policies **(Continued)**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initiallyat transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities
Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measuredat fair value through profit or loss. Debt instruments may be designated as being measured at fair value though profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities
Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.14 Equity instruments
Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.15 Taxation
The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax
The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

1 Accounting policies (Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transactionthat affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, 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 assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.16 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.17 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.18 Share-based payments - Equity settled

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

The expense in relation to options over the parent company's shares granted to employees of a subsidiary is recognised by the company as a capital contribution, and presented as an increase in the company's investment in that subsidiary.

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

1.19 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1 Accounting policies **(Continued)**

1.20 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2 Critical accounting judgements and key sources of estimation uncertainty

The Group's significant accounting policies are stated in note 1. Not all of these significant accountingpolicies require the management to make difficult, subjective or complex judgements or estimates. The following is intended to provide an understanding of the policies that management consider critical because of their complexity, judgement and estimation involved in their application and their impact on these financial statements. Judgements and Estimates are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Judgements

There are no key judgements.

Estimations

The company has the no key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

3 Turnover and other revenue

The whole of the turnover is attributable to the principal activity of the Group.

All turnover arose within the United Kingdom.

4 Operating profit

	2020	**2018**
	£	**£**
Operating profit for the period is stated after charging:		
Exchange losses	15	177
Depreciation of owned tangible fixed assets	74,501	128,942
Amortisation of intangible assets	1,639,569	971,351
Operating lease charges	340,195	215,006

5 Auditor's remuneration

	2020	**2018**
Fees payable to the company's auditor and associates:	**£**	**£**
For audit services		
Audit of the financial statements of the group and company	26,906	24,350
For other services		
Other taxation services	-	27,663
All other non-audit services	-	2,075
	-	29,738

6 Employees

The average monthly number of persons (including directors) employed by the group and company during the period was:

	Group 2020 Number	2018 Number	Company 2020 Number	2018 Number
Direct	8	12	8	8
Administration	79	78	79	78
	87	90	87	86

Their aggregate remuneration comprised:

	Group 2020 £	2018 £	Company 2020 £	2018 £
Wages and salaries	4,367,768	3,155,507	3,678,431	2,518,843
Social security costs	625,539	438,219	552,165	361,055
Pension costs	103,134	93,299	88,650	74,289
	5,096,441	3,687,025	4,319,246	2,954,187

7 Directors' remuneration

	2020 £	2018 £
Remuneration for qualifying services	120,015	351,250
Company pension contributions to defined contribution schemes	1,241	6,000
	121,256	357,250

The number of directors for whom retirement benefits are accruing under defined contribution schemes was 0 (2018 - 2).

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2020 £	2018 £
Remuneration for qualifying services	n/a	201,580
Company pension contributions to defined contribution schemes	n/a	3,450

For the period ended 31 March 2020 no director received remuneration above £200,000.

8 Interest receivable and similar income

	2020	2018
	£	£
Interest income		
Interest on bank deposits	10,596	3,664

9 Interest payable and similar expenses

	2020	2018
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on finance leases and hire purchase contracts	1,524	2,543

10 Taxation

	2020	2018
	£	£
Current tax		
UK corporation tax on profits for the current period	99,675	80,553
Adjustments in respect of prior periods	(410)	-
Total current tax	99,265	80,553

The actual charge for the period can be reconciled to the expected charge based on the profit or loss and the standard rate of tax as follows:

	2020	2018
	£	£
Profit before taxation	2,588,261	2,060,546
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	491,770	391,504
Expenses not deductible for tax puroposes	324,789	13,303
Adjustments in respect of prior years	(410)	-
Group relief	(682,910)	-
Capital allowances in excess of depreciation	(33,974)	19,144
Non-tax deductible amortisation of goodwill and impairment	-	184,556
Deferred tax not recognised	-	(468,323)
Adjust deferred tax to average rate	-	(59,631)
Taxation charge	99,265	80,553

10 Taxation **(Continued)**

Budget 2020, substantively enacted on 17 March 2020, announced that the main UK corporation tax rate applicable from 1 April 202 0 now remains at 19%, rather than the previously enacted reduction to 17%. As deferred tax assets and liabilities are measured at the rates expected to apply in the period of the reversal, the deferred tax balances have been calculated at 19%.

Factors that may affect future tax charges

There are no factors that may affect future tax charges.

The Group has tax losses arising in the UK of £769,079 (2018: £959,397) that are available indefinitely for the offset against future taxable profits. Deferred tax assets have not been recognised in respect of these losses as they do not satisfy recognition criteria for deferred tax assets in s.29 of FRS 102.

11 Acquisitions

On 1 July 2019, the Group paid IWMS Wastecollection.com Limited 2.5m for the purchase of customerlists in both the collections and brokerage arms of the business, along with the Wastecollection.com brand and containers. It was acquired in order to extend the Group's commercial customer base and market presence in the region, and is highly complementary to the Group's existing business. IWMS Collection.com Limited contributed 2.3m of revenue and 0.3m of profit for the period between the date of acquisition and the balance sheet date. If the acquisition had been completed on the first day of the financial period, Group revenues would have increased by 3.2m and Group profit would have increased by 0.4m.

	Matador IWMS Acquisition	Total
Property, plant and equipment	114,363	114,363
Intangible assets	1,336,237	1,336,237
Inventory	-	-
Debtors	-	-
Cash and cash equivalents	-	-
Deferred tax liability	(253,885)	(253,885)
Creditors	-	-
Borrowings	-	-
Provisions	-	-
	1,196,715	**1,196,715**
Consideration	2,500,000	2,500,000
Goodwill	1,303,285	1,303,285
Cash Consideration	2,500,000	2,500,000
Less: cash and cash equivalent balances acquired	-	-
	2,500,000	2,500,000

No contingent liabilities were identified at the acquisition date.

12 Intangible fixed assets

Group	Goodwill	Patents & licences	Customer relationships	Total
	£	£	£	£
Cost				
At 1 January 2019	861,191	7,613	4,335,011	5,203,815
Additions	-	-	2,040,584	2,040,584
At 31 March 2020	861,191	7,613	6,375,595	7,244,399
Amortisation and impairment				
At 1 January 2019	528,625	7,613	811,450	1,347,688
Amortisation charged for the period	215,298	-	1,424,271	1,639,569
At 31 March 2020	743,923	7,613	2,235,721	2,987,257
Carrying amount				
At 31 March 2020	117,268	-	4,139,874	4,257,142
At 31 December 2018	332,566	-	3,523,561	3,856,127

During the period, the Company had additions relating to the acquisition of Wastecollection.com (IWMS).

13 Tangible fixed assets

Group	Leasehold land and buildings	Plant and equipment	Fixtures and fittings	Total
	£	£	£	£
Cost				
At 1 January 2019	17,492	223,654	1,088,602	1,329,748
Additions	15,784	1,780	177,528	195,092
Disposals	-	(6,500)	(787,230)	(793,730)
At 31 March 2020	33,276	218,934	478,900	731,110
Depreciation and impairment				
At 1 January 2019	7,097	155,749	901,212	1,064,058
Depreciation charged in the period	4,592	27,777	42,132	74,501
Eliminated in respect of disposals	-	(4,892)	(706,783)	(711,675)
At 31 March 2020	11,689	178,634	236,561	426,884
Carrying amount				
At 31 March 2020	21,587	40,300	242,339	304,226
At 31 December 2018	10,395	67,905	187,390	265,690

13 Tangible fixed assets (Continued)

Company	Leasehold land and buildings	Plant and equipment	Fixtures and fittings	Total
	£	£	£	£
Cost				
At 1 January 2019	17,492	146,677	1,061,784	1,225,953
Additions	15,784	1,780	177,528	195,092
Disposals	-	(6,500)	(787,230)	(793,730)
At 31 March 2020	33,276	141,957	452,082	627,315
Depreciation and impairment				
At 1 January 2019	7,097	80,004	879,176	966,277
Depreciation charged in the period	4,592	27,094	41,016	72,702
Eliminated in respect of disposals	-	(4,892)	(706,783)	(711,675)
At 31 March 2020	11,689	102,206	213,409	327,304
Carrying amount				
At 31 March 2020	21,587	39,751	238,673	300,011
At 31 December 2018	10,395	66,673	182,608	259,676

14 Fixed asset investments

	Notes	Group 2020	2018	Company 2020	2018
		£	£	£	£
Investments in subsidiaries	15	-	-	7,943,407	5,903,014

Movements in fixed asset investments	**Shares in group undertakings**
Company	**£**
Cost or valuation	
At 1 January 2019	5,903,014
Additions	2,040,393
At 31 March 2020	7,943,407
Carrying amount	
At 31 March 2020	7,943,407
At 31 December 2018	5,903,014

During the period, the Company had additions relating to the acquisition of Wastecollection.com (IWMS).

15 Subsidiaries

Details of the company's subsidiaries at 31 March 2020 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct	Indirect
SWR Smash & Grab Limited *	England & Wales	Manufacture of special purpose machinery	Ordinary	100.00	-
RUR3 Environmental Limited *	England & Wales	Environmental consulting activities	Ordinary	100.00	-
New Star Environmental Limited *	England & Wales	Waste management	Ordinary	100.00	-
SWR Plastics Limited	England & Wales	Dormant	Ordinary	100.00	-
SWR Waste Management Limited	England & Wales	Dormant	Ordinary	100.00	-
Smash & Grab Glass Recycling Limited	England & Wales	Dormant	Ordinary	100.00	-
Wastecutter Limited	England & Wales	Dormant	Ordinary	100.00	-
SWR Equipment Limited	England & Wales	Dormant	Ordinary	100.00	-
National Waste Collection Limited	England & Wales	Dormant	Ordinary	100.00	-
SWR Just Bins Limited	England & Wales	Dormant	Ordinary	100.00	-
SWR Newstar Limited	England & Wales	Dormant	Ordinary	100.00	-

* These subsidiary entities are exempt from the requirements of the Companies Act relating to the audit of their individual accounts by virtue of s.479A of the Act. Specialist Waste Recycling Limited has given a guarantee under s.497C in respect of the period ended 31 March 2020 and these entities are included in these consolidated accounts. Each of the subsidiary entities have filed a written notice of the agreement of members, a statement of guarantee and a copy of these consolidated accounts together with their own individual financial statements.

16 Stocks

	Group 2020	2018	Company 2020	2018
	£	£	£	£
Finished goods and goods for resale	1,921	-	-	-

17 Debtors

	Group 2020	2018	Company 2020	2018
Amounts falling due within one year:	£	£	£	£
Trade debtors	7,920,683	6,760,114	4,584,569	4,406,907
Corporation tax recoverable	83,076	-	78,075	-
Amounts owed by group undertakings	-	-	109,497	99,390
Other debtors	3,215,390	13,984	3,208,687	9,085
Prepayments and accrued income	494,834	412,655	366,094	343,442
	11,713,983	7,186,753	8,346,922	4,858,824

Amounts due from other group undertakings are unsecured, interest free and repayable on demand.

18 Creditors: amounts falling due within one year

	Group 2020	2018	Company 2020	2018
	£	£	£	£
Trade creditors	6,219,145	6,191,648	3,954,311	4,162,710
Amounts owed to group undertakings	-	-	1,414,331	684,014
Corporation tax payable	7,690	80,347	-	-
Other taxation and social security	405,530	485,010	405,389	466,580
Other creditors	437,163	410,266	158,678	408,283
Accruals and deferred income	2,783,069	1,893,173	2,101,067	1,248,803
	9,852,597	9,060,444	8,033,776	6,970,390

Amounts owed to fellow group undertakings are unsecured, i nterest free and have nc fixed date of repayment.

19 Financial instruments

	Group 2020	2018	Company 2020	2018
	£	£	£	£
Carrying amount of financial assets				
Debt instruments measured at amortised cost	11,130,576	6,792,048	7,902,753	4,515,382
Carrying amount of financial liabilities				
Measured at amortised cost	9,439,377	8,493,566	7,628,387	6,503,811

Financial assets measured at fair value are comprised of cash and cash equivalents with debt instruments *measured at amortised cost comprising of trade and other debtors.*

Financial liabilities measured at amortised cost comprise of trade creditors, other creditors, accruals and deferred income.

20 Retirement benefit schemes

	2020	2018
Defined contribution schemes	**£**	**£**
Charge to profit or loss in respect of defined contribution schemes	92,123	90,599

The Group operates a defined contributions pension scheme. The pension cost charge represents contributions payable by the Group to the fund and amounted to £88,117 (2018: £79,301). Contributions totalling £4,006 (2018: £11,298) were payable to the fund at the balance sheet date and are included in creditors.

21 Share capital

	Group and company	
	2020	2018
Ordinary share capital	**£**	**£**
Authorised		
25,000,000 Ordinary shares of 10p each	2,500,000	2,500,000
Issued and fully paid		
24,302,507 Ordinary shares of 10p each	2,430,251	2,257,501

Reconciliation of movements during the period:

	Number
At 1 January 2019 (22,575,010 Ordinary 10p shares)	2,257,501
Issue of fully paid shares	172,750
At 31 March 2020 (24,302,507 Ordinary 10p shares)	2,430,251

The movement above relates to the issuing of new shares. On 12 March 2019, Biffa Waste Services Limited acquired 100% of the issued share capital of Specialist Waste Recycling Limited, in order to extend the Group's commercial customer base which is highly complementary to the Biffa Group's existing business.

The company has one class of ordinary share which carries no right to fixed income.

22 Share premium account

	Group		Company	
	2020	2018	2020	2018
	£	£	£	£
At beginning of period	6,632,369	6,632,369	6,632,369	6,632,369
Issue of new shares	722,000	-	722,000	-
At end of period	7,354,369	6,632,369	7,354,369	6,632,369

23 Share options

All shares hold equal rights to participate in dividends, distributions and winding up.

Approved
The Company has an HMRC approved share option scheme for certain employees.
Options were exercisable at the price equal to the fair value of the Company's shares on the date of grant.
The vesting period was three years. The nominal value of each share option was £0.10.

During the period, no additional options were granted and no options to acquire ordinary shares were exercised.

Options are forfeit if the employee leaves the Company before the options vest.

Date of grant	Date options become exercisable	Price	Number of options 1 Jan 2019	Vested	Lapsed	Number of options 31 March 2020
10-Mar-09	10-Mar-12	0.5	25,000	(25,000)	-	-
30-Nov-09	30-Nov-12	0.5	65,000	(65,000)	-	-
17-Dec-10	17-Dec-13	0.5	175,000	(175,000)	-	-
13-Dec-11	13-Dec-14	0.5	155,000	(155,000)	-	-
13-Dec-12	13-Dec-15	0.5	75,000	(75,000)	-	-
26-Mar-15	26-Mar-18	0.5	922,500	(922,500)	-	-
			1,417,500	(1,417,500)	-	-

Unapproved
The Company also ran an unapproved share option scheme for certain employees. The vesting period was one year and these options expired after a period of ten years or if the employee leaves the Company before the options vest. The nominal value of each share option was £0.10.

Date of grant	Date options become exercisable	Price	Number of options 1 Jan 2019	Vested	Lapsed	Number of options 31 March 2020
10-Mar-09	10-Mar-10	0.5	80,000	(80,000)	-	-
01-Apr-10	01-Apr-11	0.5	100,000	(100,000)	-	-
17-Dec-10	17-Dec-11	0.5	30,000	(30,000)	-	-
13-Dec-11	13-Dec-12	0.55	30,000	(30,000)	-	-
13-Dec-12	13-Dec-13	0.6	40,000	(40,000)	-	-
26-Mar-15	24-Mar-16	0.5	30,000	(30,000)	-	-
			310,000	(310,000)	-	-
			1,727,500	(1,727,500)	-	-

All share options were cancelled on 12 March 2019 following the acquisition of the Group by Biffa Waste Services Limited. On acquisition the unvested share options were fully vested and equity settled. Biffa Group paid the shareholders of SWR Group consideration in cash for the shares of the Company.

24 Operating lease commitments

Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2020	2018	Company 2020	2018
	£	£	£	£
Within one year	70,000	143,874	70,000	143,874
Between two and five years	280,000	396,307	280,000	396,307
In over five years	107,973	124,466	107,973	124,466
	457,973	664,647	457,973	664,647

25 Related party transactions

The Company has taken advantage of the exemption from s.33 of FRS 102 of the requirement to disclose transactions with Group companies on the grounds that consolidated financial statements are prepared.

26 *Capital commitments*

At 31 March 2020 the Group and Company had no capital commitments.

27 Controlling party

The ultimate parent undertaking of the Group is Biffa plc, incorporated in the United Kingdom and is the Group's controlling party by virtue of holding 100% of the share capital.

28 Cash generated from group operations

	2020	2018
	£	£
Profit for the period after tax	2,488,996	1,979,993
Adjustments for:		
Taxation charged	99,265	80,553
Finance costs	1,524	2,543
Investment income	(10,596)	(3,664)
Amortisation and impairment of intangible assets	1,639,569	971,351
Depreciation and impairment of tangible fixed assets	74,501	128,942
Movements in working capital:		
Increase in stocks	(1,921)	-
(Increase)/decrease in debtors	(4,448,542)	50,905
Increase in creditors	869,198	17,346
Cash generated from operations	711,994	3,227,969

29 Cash generated from operations - company

	2020	2018
	£	£
Profit for the period after tax	3,166,423	2,465,023
Adjustments for:		
Taxation charged	91,925	-
Finance costs	1,716	2,079
Investment income	(10,596)	(3,664)
Depreciation and impairment of tangible fixed assets	72,702	126,211
Movements in working capital:		
Increase in debtors	(3,410,023)	(639,106)
Increase in creditors	1,063,386	495,002
Cash generated from operations	975,533	2,445,545

30 Analysis of changes in net debt

	2020
	£
Opening net funds	
Cash and cash equivalents	4,346,925
Changes in net debt arising from:	
Cash flows of the entity	(792,803)
Closing net funds as analysed below	3,554,122
Closing net funds	
Cash and cash equivalents	3,554,122

31 Post Reporting date events

The following subsidiaries were struck off on 29 September 2020;

- SWR Equipment Limited
- SWR Plastics Limited
- SWR Waste Management Limited
- Smash & Grab Glass Recycling Limited
- Wastecutter Limited
- National Waste Collection Limited
- SWR Just Bins Limited

All entities were non-trading subsidiaries of Specialist Waste Recycling Limited.

The Covid-19 pandemic was an ongoing event post-date as as such, has had no impact on the company. Additionally, Brexit is also an ongoing issue in the UK. Further information on these two matters is given in the Strategic Report.