

# **YORWASTE LIMITED**

**YORWASTE LIMITED**

**Registered Number: 2666908**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2023**

# **YORWASTE LIMITED**

**YEAR ENDED 31 MARCH 2023**

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# YORWASTE LIMITED

Company Registration No. 2666908

## STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2023

### COMPANY STRATEGY

The Company's objective is to maximise shareholder value whilst operating to high standards of health and safety, environmental compliance, and customer service.

The Company is wholly owned by two Local Authorities; North Yorkshire County Council (NYCC) (77.3%) and City of York Council (CYC) (22.7%) (jointly referred to as the Controlling Authority); and operates on a Teckal exemption basis. To operate under the Teckal exemption the Company complies with the following conditions:

1. The Controlling Authority exercises control over the operations of the Company.
2. Over 80% of the Company's activities are carried out on behalf of the Controlling Authority.
3. There is no private share ownership in the Company.

Delivering shareholder value under the Teckal arrangement can be achieved through reducing the cost-of-service provision to the Controlling Authority, by generating contribution from the non-authority commercial operations, and/or generating a profit for the shareholders. All cost reductions achieved and/or profits earned will ultimately reduce the cost of waste management to the local taxpayer.

To achieve this, the key elements of the Company's strategy are:

- To prioritise and promote Health & Safety across the Company to protect employees, contractors, and customers, recognising that the waste industry is one of the most hazardous in the country.
- To deliver waste management solutions that are economically and environmentally sustainable over the long term.
- To operate a cost-effective waste transfer station network.
- To operate Household Waste Recycling Centres in a customer focused and cost-effective manner whilst maximising recycling rates.
- To operate commercial waste collections with a view to offsetting operational costs to the Controlling Authority and/or generating a profit.
- To manage the Company's closed landfills in a cost effective and environmentally compliant manner and to identify long-term cash generating projects for closed landfill sites to offset future environmental liabilities.

# YORWASTE LIMITED

## STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2023 (continued)

### BUSINESS ENVIRONMENT

#### Progressing towards best practice

The Company was awarded the British Safety Council Five Star Audit which was a great achievement and demonstrates the Company's continuing commitment to providing a safe working environment for its employees and other stake holders. Unfortunately, and despite the Company's considerable investment in safety processes and systems, the Company saw 4 RIDDOR events in the year, the highest for 5 years. Whilst these events were predominantly caused by individuals not following Company procedures, they do highlight the continuing need to keep safety as the number one priority.

In addition to retaining its ISO certifications (9001,14001,45001,50001) the Company received zero Compliance Assessment Report scores (CARs) arising from Environment Agency audits and maintained its "Green" operator (low risk classification) under the DVSA's Operator Compliance Risk Score assessments.

In response to the increasing risk from cyber activities the Company also invested in, and for the first time secured, Cyber Essentials Plus accreditation for its IT infrastructure.

The Company was also awarded the Investors in People accreditation, reflecting the Company's focus on developing its employees.

The above certifications and awards, many of which were for the first time, reflect the company's progress in delivering best practice across the business. As part of these efforts the Company was also accredited under the Good Business Charter.

#### Financial Out-turn

The Company benefited from higher landfill gas revenues through higher unit prices and above trend gas volumes following a series of initiatives to increase gas volumes. The Company also benefited from an increase in third party recycle processing. Whilst there was a marginal increase in the number of customers and customer lifts, the volume of commercial general waste actually fell, possibly related to a reduction in consumption as a result of inflationary pressures.

The profit out-turn was heavily impacted by the inflationary pressures from the wider economy. Whilst the Company had a degree of protection from electricity prices, it did see significant increases in diesel pump prices which was further exacerbated by the removal of red diesel duty on fuel for heavy plant. Inflationary pressures also hit staff costs and wider supply chain costs. The Company was not able to fully pass on all of its inflationary increases to its customers and, as a result, profits fell compared to the prior year.

The Company has made additional provision under its FRS12 liabilities to reflect increases in future aftercare costs.

The Company's cash position was strong and, as a result, was in a position to accelerate the paydown of its shareholder loans which in turn will reduce interest costs at a time when interest rates are on the increase.

Whilst the overall recruitment and retention of staff has improved, there are certain roles which the Company continues to find difficult to fill. This continues to be symptomatic of the wider business environment rather than specific to the Company itself.

# YORWASTE LIMITED

## STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2023 (continued)

### BUSINESS PERFORMANCE

<u>KPI</u>	<u>Definition and method of calculation</u>	<u>2023</u>	<u>2022</u>
Gross Profit Margin	Gross profit in the year expressed as a percentage of turnover from operations	<b>9.8%</b>	9.3%
Administrative Expenses Ratio	Administrative expenses (excluding bad debts) in the year expressed as a percentage of turnover.	<b>5.2%</b>	5.0%
Cash Generation	EBITDA	<b>£4.6</b>	£4.0m
Return on Capital Employed	EBIT, before exceptional costs expressed as a percentage of net assets.	<b>23.8%</b>	18.1%
RIDDOR Reportable Health and Safety Incidents	Number of RIDDOR reportable incidents	<b>4</b>	3
Environmental Compliance	Number of enforcement notices received from the Regulator	-	-

### LOOKING FORWARD

Whilst economic uncertainty continues to bring higher than trend inflation, rising interest rates, and the continuing prospect of recession, the Company has a strong operational base and a resourceful commercial management team and is in a strong position to meet its future challenges.

The Company's largest customer is its Local Authority clients which provides a level of stability under the Teckal agreement. However, the Company needs to continue to provide value for money and drive further efficiencies in the services it provides to the Local Authority. This is against the backdrop of the Government's Resource and Waste Strategy which has still to deliver a policy on household waste standardisation and the Deposit Return Scheme. The intersection of these two policy objectives has significant implications for both the Local Authorities and Yorwaste. The Company continues to work with its Local Authority clients to identify options and alternatives to meet the requirements of the Government policies when they are announced.

On the Commercial front the Company is pursuing a two-stream strategy for commercial sales opportunities. The first is focused on increasing the number of larger contracts which complement the Company's existing operations including recycle processing. The second is an expansion of the commercial sales force alongside additional spend in B2B internet sales sourcing to drive growth in commercial collections.

## STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2023 (continued)

The Company will continue to benefit from protection from electricity prices for the coming year however this will not be the case in the next fiscal year. Therefore, the Company is reviewing options for small and mid-scale solar projects with a view to generating sufficient electricity to offset its consumption on an annual basis by the year 2030. Whilst this will not eliminate electricity price risk it will help mitigate it and will have the added benefit of reducing the Company's carbon footprint.

### PRINCIPAL RISKS AND UNCERTAINTIES

The Company has in place a Strategic Risk Register which is updated on a 6-monthly basis by the Management Team. The Board of Directors monitors progress on the agreed management actions to mitigate such risks.

Currently the following are the Company's most significant risks:

#### Inflation

The Company experienced significant cost inflation throughout the year and whilst there are some indications that it has passed its peak, it continues to present a challenge to future profitability. The Company is pursuing cost saving efficiencies and "invest-to-save" initiatives in order to mitigate the impact. It will also continue to review its pricing strategy to ensure Commercial business is both profitable for the company and value for money to the customer.

# YORWASTE LIMITED

## STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2023 (continued)

### Health & Safety

The waste management industry is one of the most hazardous industries in the UK and the Company seeks to continually improve its Health & Safety performance. The Company continues to invest in its health and safety processes, systems, and training to further improve its performance in this area. Health and Safety performance is reviewed and challenged at weekly and monthly management meetings and at Board meetings.

### Closed landfill liabilities

The Company has a policy of providing for future aftercare costs after the sites have closed. The Directors are satisfied that future cash flows from landfill gas power generation and other commercial activities are sufficient to provide for the costs of aftercare, based on current legislation and current leachate production forecasts. This position is regularly reviewed, and the aftercare liability is periodically assessed by independent external consultants.

The liability has been reviewed in the current year by management and a formal external review will be undertaken in the next financial year.

### Competition

The Company operates in a very competitive, price sensitive, fragmented market sector. The Company maintains a sales team that focuses on both retention and expansion of the customer base. The Company has implemented a management information system which supports optimisation of collection routes and better targeting of sales resources to improve route density and profitability.

### Property and Business Interruption Insurance

Due to the number of incidents within the waste industry, particularly of fire, insurers continue to require more stringent policy conditions. The Company has in place a comprehensive risk management process to reduce the likelihood of an incident and to ensure compliance with policy conditions

### Climate Change and Net Zero

Climate change and wider environmental issues have the potential to impact the Company both directly and indirectly. The pursuit of net zero has direct implications in the operation of the Company's fleet of vehicles (including mobile plant) and in its electricity usage and their future cost structure. The Company is making plans to transition its fleet of smaller vehicles over to green energy by 2030 and it will continue to review the potential to transition HGV and heavy plant to viable green alternatives when the technology and/or infrastructure enables this change.

### Government's Resource & Waste Strategy

The Government's Resource and Waste Strategy has the potential to impact the composition and collection of both domestic and commercial waste. At this point there have been no firm policy decisions on how Deposit Return Scheme will operate, nor have there been any firm decisions about food waste collections. The impact on the Company will very much depend on the nature of the implementation of these proposals and could provide either an upside or a downside. The Company has reviewed a range of scenarios and believes it can mitigate any downside whilst also capitalising on any upside.

# YORWASTE LIMITED


## STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2023 (continued)

### STATEMENT BY THE DIRECTORS IN PERFORMANCE OF THEIR STATUTORY DUTIES IN ACCORDANCE WITH S172(1) COMPANIES ACT 2006

The board of directors of the company consider, both individually and together, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in s172(1)(a-f) of the Companies Act 2006) in the decisions taken during the year ended 31 March 2023. Those matters include having regard for the following, which are cross-referenced to further details given elsewhere in either the Strategic Report or Directors' Report:

- a) the consequences of the decisions we take in the long term (page 1)
- b) the interests of the company's employees (page 7)
- c) the need to foster the company's business relationships with suppliers, customers and others (page 9)
- d) the impact of the company's operations on the community and the environment (pages 2 and 8)
- e) maintaining a reputation for high standards of business conduct (page 1); and
- f) the need to act fairly between members of the Company (pages 1 and 9)

On behalf of the Board on 30 June 2023



Cllr. J Weighell  
**Chairman**

# YORWASTE LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2023

The Directors present their report and the audited financial statements for the year ended 31 March 2023.

### PRINCIPAL ACTIVITIES

The Company provides waste management services including recycling, waste and recyclables collection, composting, and landfill aftercare activities. All operations take place within the UK.

### STRATEGIC REPORT

The Strategic Report for the year ended 31 March 2023 can be found on pages 1 to 5. The Strategic Report contains details of the Company's strategy, business environment, business performance, future developments and principal risks and uncertainties.

### POST BALANCE SHEET EVENTS

There are no material post balance sheet events to report.

### DIRECTORS

The rules governing the appointment and replacement of Directors are set out in the Company's Articles of Association. The Directors of Yorwaste Limited during the year and up to the date of signing the Financial Statements were:

A Boyle	Managing Director
N Ferris	CYC appointed Non-Executive Director
Cllr. A Waller	CYC appointed Non-Executive Director (resigned 25 May 2023)
Cllr. J Weighell	NYCC appointed Chairman and Non-Executive Director
K Battersby	NYCC appointed Non-Executive Director
A Lee	NYCC appointed Non-Executive Director
Cllr. R Melly	CYC appointed Non-Executive Director (appointed 25 May 2023)

Details of Directors' emoluments can be found at Note 7 to the Financial Statements.

### DIRECTORS' INDEMNITIES

The Company has made qualifying third-party provisions (as defined in the Companies Act 2006) for its Directors. The Company also maintains Directors' and Officers' Liability Insurance cover for claims brought against its directors or officers for wrongful acts in connections with the performance of their duties but does not cover claims arising from fraud.

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2023 (continued)

### RESULTS AND DIVIDENDS

The results for the year ending 31 March 2023 are set out in the Profit & Loss Account on page 14. The Key Performance Indicators (KPIs) are reported on page 3 of the Strategic Report.

No dividend was declared for the year (2022 £nil).

### GOING CONCERN

The Company meets its day-to-day working capital requirements through its bank facilities. The Company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Company should be able to operate within the level of its current facilities. After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its Financial Statements.



# YORWASTE LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2023 (continued)

### ACCOUNTING POLICIES

Details of the Company's Accounting Policies are provided in Note 3 to the Financial Statements.

### EMPLOYEE ENGAGEMENT STATEMENT

The Company engages with employees via various channels including, but not limited to:

- The management team are specifically tasked with carrying out safety conversations with front line employees to proactively engage on health and safety issues. This also provides a touch-point to discuss more general issues with the employee.
- Monthly team meetings provide general updates on Company issues along with specific health, safety, and wellbeing updates.
- A bi-monthly employee newsletter covering recent activities of the Company.
- Active involvement of front-line employees in the assessment and deployment of significant capital expenditures including infrastructure upgrades, heavy plant, and new vehicle purchases.
- The Company operates a "Bright Ideas" scheme to reward employees who submit good ideas that the Company can implement and "Extra Mile" awards to employees who go that extra mile in the performance of their duties.

The Directors engage with employees as follows:

- The Managing Director makes regular site visits to all Company locations. During these visits he talks to front line employees and seeks direct feedback on any problems that they might have. Any feedback received will be considered in the setting of Company objectives.
- The Managing Director meets regularly with managerial and supervisory teams where he will update them on Company progress and, where appropriate, will discuss any issues raised during his site visits.
- Board members are encouraged to undertake site visits and engage with Company employees. One non-executive director actively engages directly with the business to review Health & Safety performance, another director performs a similar role with respect to environmental performance. This ensures that the Board has access to front line staff outside of the executive management reporting line, and that front line employees have the opportunity to talk directly to Board Directors.

### EQUAL OPPORTUNITIES EMPLOYER

The Company is an equal opportunities employer and seeks to ensure that there is no discrimination or harassment because of colour, race, nationality, religion or belief, ethnic or national origin, disability, age, sex, gender reassignment, marital or civil partnership status, pregnancy or maternity, or sexual orientation in the way that the Company treats its employees, job applicants, customers, suppliers and visitor.

### EMPLOYMENT OF DISABLED PEOPLE

The Company will:

- provide reasonable adjustments to ensure disabled people have access to our services and employment opportunities;
- provide reasonable adjustments to ensure people who become disabled during their employment are able to continue to work for the business;
- challenge discriminatory assumptions about disabled people; and
- seek to continue to improve access to information by ensuring availability of loop systems, braille facilities, alternative formatting, and sign language interpretation.

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2023 (continued)

### MODERN SLAVERY

In compliance with the Modern Slavery Act 2016, the Company's statement on Modern Slavery can be found on the Company's website at [www.Yorwaste.co.uk](http://www.Yorwaste.co.uk).

### POLITICAL DONATIONS

The Company has a policy not to make political donations.

# YORWASTE LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2023 (continued)

### FINANCIAL RISK MANAGEMENT

All financial assets are held in sterling, therefore there is no foreign currency exchange rate exposure. Fixed asset investments are valued at cost and where appropriate an impairment charge has been made against non-value adding assets.

There is minimal exposure to interest rate risk with the Shareholder loans at a fixed margin above the Bank of England Base Rate. Current forecasts for movements in this base rate are for small increases which will not be financially material.

The Company manages its credit risk of customers by the implementation of credit checks on potential customers before sales commence and the application of a system of credit limits for on-going trading.

The Company provides regular fraud awareness training to all senior management and all employees of the finance team.

### HEALTH & SAFETY MANAGEMENT

The health and safety of employees, contractors and members of the public remains a core value for the company and the key priority for the Board of Directors and the management team.

The waste industry continues to be one of the most hazardous industries in the UK and the Company has set the target to maintain its ISO 45001 accreditation and has recently been awarded a Five Star Health & Safety Audit grading by the British Safety Council.

### ENVIRONMENTAL COMPLIANCE

The Company has received no enforcement notices from the Environment Agency in the year. Maintaining high standards of environmental compliance remains a core value of the organisation and is a key objective of the management team.

### STREAMLINED ENERGY AND CARBON REPORTING (SECR)

Energy Consumed	kWh		%	
	2023	2022	2023	2022
<b>Scope 1</b>				
Diesel - Transport	9,878,798	10,727,111	65%	65%
Diesel - Material Processing	3,831,184	3,965,249	25%	24%
<b>Scope 2</b>				
Electricity	1,559,009	1,862,070	10%	11%
<b>Total</b>	<b>15,268,991</b>	<b>16,554,430</b>	<b>100%</b>	<b>100%</b>

Emission Data	Units	Fuel Consumed		GHG Conversion Factor *GHG Conversion Factor *		Emission (Kg CO2 eq)		Emission (Tonne CO2 eq)	
		2023	2022	2023	2022	2023	2022	2023	2022
<b>Scope 1</b>									
Diesel - Transport	Litres	986,211	1,073,864	2.56000	2.51233	2524470	2,697,902	2,524	2,698
Diesel - Material Processing	Litres	382,758	392,666	2.56000	2.75857	979,860	1,083,195	980	1,083
<b>Scope 2</b>									
Electricity	kWh	1,559,009	1,862,070	0.19338	0.21233	301,431	395,373	301	395
<b>Total emission</b>								<b>3,806</b>	<b>4,176</b>

\* UK Government GHG Conversion Factors for Company Reporting Version 2 2022

Energy Intensity Metric	2023	2022	
Total Carbon emission (CO <sub>2</sub> eq)	3,806	4,176	Tonnes
Total mass of waste handled	442,559	480,628	Tonnes
Emission (CO <sub>2</sub> eq) per tonne of waste handled	8.60	8.69	Kg/T

# YORWASTE LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2023 (continued)

### Measures taken to improve energy efficiency.

During the 2022/23 period, the solar PV system installed at the Northallerton Head Office Building generated 25,806 kWh of electricity that was exported to the national grid as detailed below. The energy generated through this initiative and the associated emissions avoided, offsets the energy use and carbon emissions elsewhere in the business.

	Electricity Generated (kWh)		GHG Conversion Factor *		Emission Avoided (Kg CO2 eq)		Emission Avoided (Tonne CO2 eq)	
	2023	2022	2023	2022	2023	2022	2023	2022
Renewable energy generated (Solar PV)	25,806	28,721	0.19338	0.21233	4,990	6,098	5	6

\* UK Government GHG Conversion Factors for Company Reporting Version 2 2022

### STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under company law, 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 year. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for 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.

# YORWASTE LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2023 (continued)

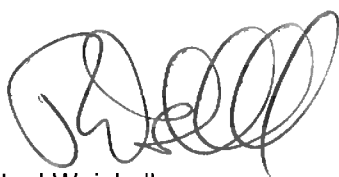
### Directors' confirmations

In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### REAPPOINTMENT OF AUDITORS

It is the intention of the directors to reappoint PricewaterhouseCoopers LLP as auditors for the next financial year. On behalf of the Board on 30 June 2023.



Cllr. J Weighell  
Chairman

## Independent auditors' report to the members of Yorwaste Limited

### Report on the audit of the financial statements

#### Opinion

In our opinion, Yorwaste Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2023 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 March 2023; the Profit and Loss account, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

#### Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

#### Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

## Independent auditors' report to the members of Yorwaste Limited (continued)

### Reporting on other information (continued)

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

### Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 March 2023 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

### Responsibilities for the financial statements and the audit

#### Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities in respect of the Financial Statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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 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 company or to cease operations, or have no realistic alternative but to do so.

#### Auditors' 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 auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to environmental and health and safety regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as UK tax legislation as well as compliance with the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries to increase profits through the creation of fictitious sales or manipulation of expenses, and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Discussions with management including those charged with governance, inquiring specifically as to whether there was any known or suspected instances of non-compliance with laws and regulations or fraud;
- Review of board minutes;
- Review of legal expenditure in the year to identify potential non-compliance with laws and regulations;
- Evaluation of management's controls designed to prevent and detect irregularities;

## Independent auditors' report to the members of Yorwaste Limited (continued)

### Auditors' responsibilities for the audit of the financial statements (continued)

- Identifying and testing journal entries, in particular and journal entries posted with unusual account combinations impacting revenue or expenses.
- Challenging assumptions and judgements made by management in their key accounting estimates, in particular those made in respect of the restoration and aftercare provision and consideration of the impacts of COVID-19 and rising inflation on going concern; and
- Confirmation and review of the RIDDOR incidents reported in the year and testing of the restoration and aftercare provision.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

### Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

## Other required reporting

### Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



Mark Dawson (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Newcastle upon Tyne  
30 June 2023

# YORWASTE LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023	2022
		£	£
TURNOVER	5	<b>41,772,711</b>	37,781,856
Cost of Sales		<b>(37,667,191)</b>	(34,263,945)
		<hr/>	<hr/>
GROSS PROFIT		<b>4,105,520</b>	3,517,911
Administrative Expenses		<b>(2,222,093)</b>	(1,912,754)
		<hr/>	<hr/>
OPERATING PROFIT	6	<b>1,883,427</b>	1,605,157
Interest Receivable and Similar Income	8a	<b>26,307</b>	718
Interest Payable and Similar Expenses	8b	<b>(602,032)</b>	(597,501)
		<hr/>	<hr/>
Net Interest Expense		<b>(575,725)</b>	(596,783)
		<hr/>	<hr/>
PROFIT BEFORE TAXATION		<b>1,307,702</b>	1,008,374
Tax on Profit	9	<b>(134,638)</b>	(398,697)
		<hr/>	<hr/>
PROFIT FOR THE FINANCIAL YEAR		<b>1,173,064</b>	609,677
		<hr/>	<hr/>

The Company has no recognised other comprehensive income and, therefore, no separate statement of other comprehensive income has been presented.

All of the activities of the company are classed as continuing.



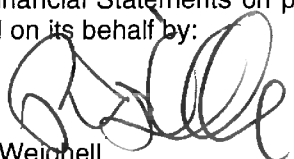
# YORWASTE LIMITED

## BALANCE SHEET AT 31 MARCH 2023

	Note	As at 31 March 2023 £	As at 31 March 2022 (Restated) £
<b>FIXED ASSETS</b>			
Tangible assets	10	<b>15,830,491</b>	14,509,345
Investments	11	-	15,000
		<b>15,830,491</b>	<b>14,524,345</b>
<b>CURRENT ASSETS</b>			
Debtors	12	<b>6,530,335</b>	7,171,631
Investments	13	<b>3,160,955</b>	168,119
Cash at bank and in hand	25	<b>4,181,043</b>	7,954,928
		<b>13,872,333</b>	<b>15,294,678</b>
CREDITORS : Amounts falling due within one year	15	<b>(5,373,492)</b>	(6,055,638)
<b>NET CURRENT ASSETS</b>		<b>8,498,841</b>	<b>9,239,040</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>24,329,332</b>	<b>23,763,385</b>
CREDITORS : Amounts falling due after more than one year	16	<b>(4,700,000)</b>	(7,144,325)
PROVISIONS FOR OTHER LIABILITIES	17	<b>(11,263,234)</b>	(9,426,026)
<b>NET ASSETS</b>		<b>8,366,098</b>	<b>7,193,034</b>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	19	<b>4,526,000</b>	4,526,000
Retained earnings		<b>3,840,098</b>	2,667,034
<b>Total Equity</b>		<b>8,366,098</b>	<b>7,193,034</b>

The notes on pages 18 to 39 are an integral part of these Financial Statements.

The Financial Statements on pages 14 to 39 were approved by the Board of Directors at 30 June 2023 and were signed on its behalf by:

  
Cllr. J Weighell  
Chairman and Non-Executive Director  
Yorwaste Limited

  
A Boyle  
Managing Director

Company Registration No. 2666908

# YORWASTE LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

	Called up Share Capital £	Retained Earnings £ (Restated)	Total Equity £ (Restated)
Balance as at 1 April 2021	4,526,000	3,737,275	8,263,275
Restated	-	(1,679,918)	(1,679,918)
	<u>4,526,000</u>	<u>2,057,357</u>	<u>6,583,357</u>
Profit for the financial year	-	609,677	609,677
	<u>-</u>	<u>609,677</u>	<u>609,677</u>
Total comprehensive income for the year	-	609,677	609,677
	<u>-</u>	<u>609,677</u>	<u>609,677</u>
Balance as at 31 March 2022	4,526,000	2,667,034	7,193,034
	<u>4,526,000</u>	<u>2,667,034</u>	<u>7,193,034</u>
Balance as at 1 April 2022	4,526,000	4,346,952	8,872,952
Profit for the financial year	-	1,173,064	1,173,064
	<u>-</u>	<u>1,173,064</u>	<u>1,173,064</u>
Total comprehensive income for the year	-	1,173,064	1,173,064
	<u>-</u>	<u>1,173,064</u>	<u>1,173,064</u>
Balance as at 31 March 2023	<u>4,526,000</u>	<u>3,840,098</u>	<u>8,366,098</u>

The restatement above related to the provision for Aftercare costs and is explained in note 10

# YORWASTE LIMITED

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 £	2022 £
<b>Net cash from operating activities</b>	20	<b>3,991,264</b>	2,996,826
Taxation (paid)		(145,838)	(210,911)
<b>Net cash generated from operating activities</b>		<b>3,845,426</b>	2,785,915
<b>Cash flow from investing activities</b>			
Purchase of tangible assets		(1,677,384)	(1,660,296)
Proceeds from disposals of tangible assets		420,056	172,929
Interest received		26,307	718
<b>Net cash used in investing activities</b>		<b>(1,231,021)</b>	(1,486,649)
<b>Cash flow from financing activities:</b>			
Repayment of obligations under bank loans		(2,933,190)	(488,865)
Investments		(3,000,000)	-
Interest paid		(455,100)	(324,180)
<b>Net cash used in financing activities</b>		<b>(6,388,290)</b>	(813,045)
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(3,773,885)</b>	486,221
Cash and cash equivalents at the beginning of the year		7,954,928	7,468,707
<b>Cash and cash equivalents at the end of the year</b>		<b>4,181,043</b>	7,954,928
<b>Cash and cash equivalents consists of:</b>			
Cash at bank and in hand		4,181,043	7,954,928
<b>Cash and cash equivalents</b>		<b>4,181,043</b>	7,954,928

# YORWASTE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

### 1 GENERAL INFORMATION

Yorwaste Limited ("the Company") operates waste management services primarily in the North Yorkshire area or adjacent geographical areas.

The company is a private company limited by shares and is incorporated in England, the UK. The address of its registered office is Mount View, Standard Way, Northallerton, North Yorkshire, England, DL6 2YD.

### 2 STATEMENT OF COMPLIANCE

The Financial Statements of Yorwaste Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these Financial Statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### (a) Basis of Preparation

These Financial Statements are prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value.

The preparation of Financial Statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company accounting policies. The areas involving a higher degree of judgement of complexity, or areas where assumptions and estimates are significant to the Financial Statements are disclosed in note 4.

#### (b) Going Concern

The Company meets its day-to-day working capital requirements through its bank facilities. The Company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Company should be able to operate within the level of its current facilities.

This assessment has included the impact inflation and the global Covid pandemic on the business, including on its customers, supply chain and workforce and the cost mitigation measures available should there be an impact revenues. After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its Financial Statements.

#### (c) Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the Company's shareholders.

The Company has taken advantage of the following exemptions:

- (i) From the financial instrument disclosures, required under FRS 102 paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29, as the information is provided in the consolidated Financial Statement disclosures of North Yorkshire County Council.
- (ii) From disclosing the Company
- (iii) Key management personnel compensation, as required by FRS 102 paragraph 33.7.
- (iv) From providing a reconciliation of shares outstanding at the beginning and the end of the period.

# YORWASTE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (d) Foreign currency

(i) *Functional and presentation currency*

The Financial Statements are presented in pound sterling.

The Company's functional and presentation currency is the pound sterling.

(ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions. The Company has no foreign currency assets or liabilities.

#### (e) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied or services rendered, net of returns, discounts and rebates allowed by the Company and value added taxes.

Landfill Tax is shown in the Profit and Loss account as a separate income and is incorporated as a cost within Cost of Sales.

Where the consideration receivable in cash or cash equivalents is deferred, and the arrangement constitutes a financing transaction, the fair value of the consideration is measured as the present value of all future receipts using the imputed rate of interest.

The Company recognises revenues when (a) the significant risks and rewards of ownership have been transferred to the buyer; (b) the Company retains no continuing involvements or control over the goods; (c) the amount of revenue can be measured reliably and (d) it is probable that future economic benefits will flow to the entity.

#### (f) Employee benefits

The Company provides a range of benefits to employees, including paid holiday arrangements, defined contribution pension plans and life insurance cover.

(i) *Short term benefits*

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the financial year in which the service is received.

(ii) *Defined contribution pension plans*

The Company operates a number of defined contribution plans for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

# YORWASTE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (g) Taxation

Taxation expense for the year comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

##### (i) *Current Tax*

Current tax is the amount of corporation tax payable or repayable in respect of the taxable profit or loss for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the year end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

##### (ii) *Deferred tax*

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the Financial Statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in Financial Statements.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or to the future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

#### (h) Business combinations and goodwill

Business combinations are accounted for by applying the purchase method.

The cost of a business combination is the fair value of the consideration given, liabilities incurred or assumed and of equity instruments issued plus the costs directly attributable to the business combination. Where control is achieved in stages the cost is the consideration at the date of each transaction.

Contingent consideration is initially recognised at estimated amount where the consideration is probable and can be measured reliably. Where (i) the contingent consideration is not considered probable or cannot be reliably measured but subsequently becomes probable and measurable or (ii) contingent consideration previously measured is adjusted, the amounts are recognised as an adjustment to the cost of the business combination.

On acquisition of a business, fair values are attributed to the identifiable assets, liabilities and contingent liabilities unless the fair value cannot be measured reliably, in which case the value is incorporated in goodwill. Where the fair value of contingent liabilities cannot be reliably measured they are disclosed on the same basis as other contingent liabilities.

Goodwill recognised represents the excess of the fair value and directly attributable costs of the purchase consideration over the fair values to the Company's interest in the identifiable net assets, liabilities and contingent liabilities acquired.

On acquisition, goodwill is allocated to cash-generating units ('CGU's') that are expected to benefit from the combination.

# YORWASTE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (i) Business combinations and goodwill (continued)

Goodwill is amortised over its expected useful life. Where the Company is unable to make a reliable estimate of useful life, goodwill is amortised over a period not exceeding 5 years. Goodwill is assessed for impairment when there are indicators of impairment and any impairment is charged to the income statement. Reversals of impairment are recognised when the reasons for the impairment no longer apply.

#### (j) Tangible assets

Tangible assets are stated at cost (or deemed cost) less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs.

##### (i) Land and buildings

Land and buildings include freehold and leasehold buildings and offices. Land and buildings are stated at cost less accumulated depreciation and accumulated impairment losses.

##### (ii) Plant and machinery and fixtures and fittings

Plant and machinery and fixtures and fittings are stated at cost less accumulated depreciation and accumulated impairment losses.

##### (iii) Depreciation and residual values

Land is not depreciated. Depreciation on other assets is calculated, using the straight-line or volume depletion method, to allocate the depreciable amount to their residual values over their estimated useful lives, as follows:

- |                                   |  |
|-----------------------------------|--|
| • Freehold buildings              | - Over periods up to 50 years  |
| • Long leasehold property         | - Varies according to location and the useful economic life of the site where the land and buildings are located over a period of up to 25 years.            |
| • Site life development           | - Varies according to location and the useful economic life of the site where the development expenditure has been incurred over a period of up to 25 years. |
| • Plant and machinery             | - Varies according to location and the useful economic life of each site   |
| • Fixtures and fittings           | - 3 - 5 years  |
| • Restoration and Aftercare costs | - Asset is depreciated over a maximum of 8 years being the revenue generating life   |
| • Motor vehicles                  | - 5 years  |

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

##### (iv) Subsequent additions and major components

Subsequent costs, including major inspections, are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that economic benefits associated with the item will flow to the Company and the cost can be measured reliably.

The carrying amount of any replaced component is derecognised. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

Repairs, maintenance and minor inspection costs are expensed as incurred.

# YORWASTE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (j) Tangible assets (continued)

##### (v) *Assets in the course of construction*

Assets in the course of construction are stated at cost. These assets are not depreciated until they are available for use.

##### (vi) *Derecognition*

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss and included in 'Other operating gains'.

#### (k) Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

#### (l) Leased assets

At inception the Company assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

##### (i) *Finance leased assets*

Leases of assets that transfer substantially all the risks and rewards incidental to ownership are classified as finance leases.

Finance leases are capitalised at commencement of the lease as assets at the fair value of the leased asset or, if lower, the present value of the minimum lease payments calculated using the interest rate implicit in the lease. Where the implicit rate cannot be determined the Company's incremental borrowing rate is used. Incremental direct costs, incurred in negotiating and arranging the lease, are included in the cost of the asset.

Assets are depreciated in accordance with the depreciation policy in (j) (iii) for the asset. Assets are assessed for impairment at each reporting date.

The capital element of lease obligations is recorded as a liability on inception of the arrangement. Lease payments are apportioned between capital repayment and finance charge, using the effective interest rate method, to produce a constant rate of charge on the balance of the capital repayments outstanding.

##### (ii) *Operating leased assets*

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease.

##### (iii) *Lease incentives*

Incentives received to enter into a finance lease reduce the fair value of the asset and are included in the calculation of present value of minimum lease payments.

Incentives received to enter into an operating lease are credited to the profit and loss account, to reduce the lease expense, on a straight-line basis over the period of the lease.



# YORWASTE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (m) Impairment of non-financial assets

At each balance sheet date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset (or asset's cash generating unit) may be impaired. If there is such an indication the recoverable amount of the asset (or asset's cash generating unit) is compared to the carrying amount of the asset (or asset's cash generating unit).

The recoverable amount of the asset (or asset's cash generating unit) is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's (or asset's cash generating unit) continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the profit and loss account, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in profit or loss.

If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior years. A reversal of an impairment loss is recognised in the profit and loss account.

#### (n) Investments in subsidiary

##### (i) *Investment in subsidiary company*

Investment in a subsidiary company is held at cost less accumulated impairment losses.

#### (o) Current asset investments

##### (i) *Current asset investments*

Current asset investments are held at cost less accumulated impairment losses.

#### (p) Inventories

The cost of all stocks and consumables is charged to the profit and loss account in the year of purchase.

#### (q) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

#### (r) Provisions and contingencies

##### (i) *Provisions*

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations might be small.

# YORWASTE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (r) Provisions and contingencies (continued)

In particular:

- (i) Restructuring provisions are recognised when the Company has a detailed, formal plan for the restructuring and has raised a valid expectation in those affected by either starting to implement the plan or announcing its main features to those affected and therefore has a legal or constructive obligation to carry out the restructuring; and
- (ii) Provision is not made for future operating losses.  
Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as a finance cost.
- (ii) *Contingencies*  
Contingent liabilities are not recognised, except those acquired in a business combination. Contingent liabilities arise as a result of past events when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the Company's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.

#### (s) Financial instruments

The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

- (i) *Financial assets*  
Basic financial assets, including trade and other receivables, cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each year financial assets measured at amortised cost are assessed for objective evidence of impairment. 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 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.

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.

# YORWASTE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (s) Financial instruments (continued)

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

#### (ii) Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans and loans from fellow Group companies 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 receipts discounted at a market rate of interest.

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

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn-down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts 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 payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### (iii) Offsetting

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.

#### (t) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

#### (u) Distributions to equity holders

Dividends and other distributions to the Company's shareholders are recognised as a liability in the Financial Statements in the year in which the dividends and other distributions are approved by the shareholders. These amounts are recognised in the statement of changes in equity.

#### (v) Related party transactions

The Company discloses transactions with related parties which are not wholly owned within the same Group. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the, separate disclosure is necessary to understand the effect of the transactions on the Company Financial Statements.

# YORWASTE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

### 4 CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATION UNCERTAINTY

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### (a) Critical judgements in applying the Company's accounting policies

- (i) Assessing the length and quantum of the restoration and aftercare liabilities in respect of the landfill sites either previously or currently operated by the Company.
- (ii) Assessing the future cash flows to establish that the business continues to be a going concern.

#### (b) Key accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

- (i) **Restoration and aftercare provision**  
The estimation of these provisions requires judgement on the expected timing of the cash flows related to these liabilities, assessment of the level of costs to be borne over that period and the discount rate to be used, which is currently 3.84%. (2.60%) A change in the discount rate of 1% has an impact of approximately £1.1m
- (ii) **Provisions**  
Provision is made for asset retirement obligations, dilapidations and contingencies. These provisions require management's best estimate of the costs that will be incurred based on legislative and contractual requirements. In addition, the timing of the cash flows and the discount rates used to establish net present value of the obligations require management's judgement.

# YORWASTE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

### 5 TURNOVER

	2023 £	2022 £
Analysis of turnover by geography:		
United Kingdom	<b>41,772,711</b>	37,781,856
	<u>                    </u>	<u>                    </u>
	2023 £	2022 £
Analysis of turnover by category:		
Waste management services	<b>39,942,765</b>	36,658,178
Power generation	<b>1,829,946</b>	1,123,678
	<u>                    </u>	<u>                    </u>
Turnover	<b>41,772,711</b>	37,781,856
	<u>                    </u>	<u>                    </u>

### 6 OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2023 £	2022 £
Wages and salaries (including Directors)	<b>8,221,241</b>	7,033,443
Social security costs (including Directors)	<b>794,836</b>	634,559
Other pension costs (including Directors)	<b>304,270</b>	272,044
	<u>                    </u>	<u>                    </u>
<b>Staff costs charged to profit and loss</b>	<b>9,320,347</b>	7,940,046
	<u>                    </u>	<u>                    </u>
Profit on disposal of tangible assets	<b>(379,007)</b>	(123,702)
Reversal of Impairment of trade receivables	<b>33,974</b>	(21,804)
Operating lease charges	<b>2,055,443</b>	1,996,215
Fees payable to the Company's auditors' and their associates for the audit of the Company.	<b>58,040</b>	50,854
Fees payable to the Company's auditors' and their associates for other services:		
- Tax advisory services	<b>11,082</b>	10,075
	<u>                    </u>	<u>                    </u>
Total amount payment to the Company's auditors' and their associates	<b>69,122</b>	60,929
	<u>                    </u>	<u>                    </u>

# YORWASTE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

### 7 EMPLOYEES AND DIRECTORS

#### Employees

The average monthly number of persons (including executive Directors) employed by the Company during the year was:

	2023 Number	2022 Number
Operational	245	219
Administration and central functions	39	40
Non-executive directors	3	3
	<u>          </u>	<u>          </u>
Total	<u>287</u>	<u>262</u>

#### Directors

The Directors' emoluments were as follows:

	2023 £	2022 £
Aggregate emoluments	146,667	153,665
	<u>          </u>	<u>          </u>
Highest paid director	113,400	113,375
	<u>          </u>	<u>          </u>

One Director was a member of the Company's defined contribution scheme.

Included within the above numbers the Company paid pension contributions of £9,975 (2022: £9,975) on behalf of one Director (2022: one) during the year into a defined contribution pension fund.

Directors who are Local Authority Officers and are directly employed by the Shareholders receive no remuneration from the Company. Councillors who are appointed by the Shareholder do receive remuneration from the Company. The value of this remuneration is set by the shareholder and these payments are disclosed in the relevant register of Councillors' interests

The Councillor Directors' remuneration, per person per role is as follows:

	2023 £	2022 £
Non-Executive Director (NYCC)	7,598	-
Non-Executive Director (CYC)	8,855	8,750
Chairman and Non-Executive Director	16,824	16,539
	<u>          </u>	<u>          </u>

Managing Directors pay ratio.

25th percentile	4.81:1	5.49:1
50th percentile	4.44:1	5.01:1
75th percentile	3.84:1	4.25:1
Average	3.77:1	<u>4.20:1</u>

# YORWASTE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

### 8 NET INTEREST EXPENSE

#### (a) Interest receivable and similar income

	2023 £	2022 £
Interest on short term deposits	26,307	718
Other interest	-	-
	<u>26,307</u>	<u>718</u>
<b>Total interest receivable and similar income</b>	<b><u>26,307</u></b>	<b><u>718</u></b>

#### (b) Interest payable and similar expenses

	2023 £	2022 £
Interest expense on shareholder loans	455,101	324,180
Finance lease interest	-	-
Finance charge on provisions	146,931	273,321
	<u>602,032</u>	<u>597,501</u>
<b>Total interest payable and similar expenses</b>	<b><u>602,032</u></b>	<b><u>597,501</u></b>

#### (c) Net interest expense

	2023 £	2022 £
Interest receivable and similar income	26,307	718
Interest payable and similar expense	(602,032)	(597,501)
	<u>(575,725)</u>	<u>(596,783)</u>
<b>Net interest payable and similar expenses</b>	<b><u>(575,725)</u></b>	<b><u>(596,783)</u></b>

# YORWASTE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

### 9 TAX ON PROFIT

#### (a) Tax (credit) / charge included in profit or loss

	2023 £	2022 £
Current tax:		
- Adjustment in respect of previous years	-	210,911
	<u>          </u>	<u>          </u>
Total current tax charge for the year	-	210,911
	<u>          </u>	<u>          </u>
Deferred tax:		
- Origination and reversal of timing differences	269,843	366,364
- Adjustment in respect of previous years	(135,205)	(178,578)
	<u>          </u>	<u>          </u>
Total deferred tax	134,638	187,786
	<u>          </u>	<u>          </u>
<b>Tax on profit</b>	<b>134,638</b>	<b>398,697</b>
	<u>          </u>	<u>          </u>

#### (b) Reconciliation of tax (credit)/charge

Tax assessed for the year is lower (2022: higher) than the standard rate of corporation tax in the UK for the year ended 31 March 2023 of 19% (2022: 19%). The differences are explained below:

	2023 £	2022 £
Profit before tax	1,307,702	1,008,374
	<u>          </u>	<u>          </u>
Profit before tax multiplied by the standard rate of tax in the UK of 19% (2022: 19%)	248,463	191,591
	<u>          </u>	<u>          </u>
Effects of:		
- Expenses not deductible for tax purposes	63,507	63,256
- Capital Allowances super deduction	(91,027)	-
- Restoration provision movement (change of basis)	(20,872)	31,660
- Adjustment in respect of previous years	(135,205)	32,333
Change in Tax Rate	69,772	79,857
	<u>          </u>	<u>          </u>
Tax (credit)/charge for the year	134,638	398,697
	<u>          </u>	<u>          </u>

#### (c) Tax rate changes

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements. This increased the tax charge by £69,772 as deferred taxation is recognised at this higher rate.'



# YORWASTE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

### 10 TANGIBLE ASSETS

	Restoration and Aftercare Costs £ (Restated)	Land and Buildings £	Site Life Development £	Motor Vehicles £	Plant and Machinery £	Fixtures and Fittings £	Total £ (Restated)
At 1 April 2022							
Cost	19,362,320	12,563,219	17,866,020	188,602	12,854,977	3,210,290	66,045,428
Restated	2,268,134	-	-	-	-	-	2,268,134
Cost	21,630,454	12,563,219	17,866,020	188,602	12,854,977	3,210,290	68,313,562
At 1 April 2022							
Cost	(17,844,041)	(7,534,692)	(16,599,768)	(111,148)	(8,829,820)	(1,204,830)	(52,124,299)
Restated	(1,679,918)	-	-	-	-	-	(1,679,918)
Accumulated depreciation & impairment	(19,523,959)	(7,534,692)	(16,599,768)	(111,148)	(8,829,820)	(1,204,830)	(53,804,217)
Net book amount	2,106,495	5,028,527	1,266,252	77,454	4,025,157	2,005,460	14,509,345
<b>Year ended 31 March 2023</b>							
Opening net book amount	2,106,495	5,028,527	1,266,252	77,454	4,025,157	2,005,460	14,509,345
Additions	2,267,814	24,950	-	63,900	1,325,979	409,486	4,092,129
Disposals	-	-	-	-	(37,020)	(4,029)	(41,049)
Depreciation	(723,308)	(294,248)	(258,293)	(17,700)	(1,037,645)	(398,670)	(2,729,934)
Closing net book amount	3,651,001	4,759,229	1,007,959	123,584	4,276,471	2,012,247	15,830,491
At 31 March 2023							
Cost	23,898,268	12,588,169	17,866,020	226,875	12,255,415	3,585,879	70,420,626
Accumulated depreciation and impairment	(20,247,267))	(7,828,940)	(16,858,061)	(103,291)	(7,978,944)	(1,573,632)	(54,590,135)
Net book amount	3,651,001	4,759,229	1,007,959	123,584	4,276,471	2,012,247	15,830,491

# YORWASTE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

### 10 TANGIBLE ASSETS (continued)

The net book value of land, included in land and buildings above, comprises:

	2023 £	2022 £
Freehold	335,568	335,568
Carrying amount	335,568	335,568

The restatement of Restoration and Aftercare costs is explained in note 17

# YORWASTE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

### 11 INVESTMENTS

	Total £
<b>Cost:</b>	
At 1 April 2022	15,000
Written off	(15,000)
	<hr/>
<b>At 31 March 2023</b>	<b>-</b>
	<hr/>
<b>Net Book Value at 31 March 2023</b>	<b>-</b>
	<hr/>
Net Book Value at 31 March 2022	15,000
	<hr/> <hr/>

### 12 DEBTORS

	2023 £	2022 £
Trade debtors	938,793	663,155
Amounts owed by group undertakings	2,512,895	3,265,492
Other receivables	1,501,645	1,752,548
Corporation tax	215,838	70,000
Other taxation and social security	-	-
Prepayments and accrued income	1,361,164	1,420,436
	<hr/>	<hr/>
	<b>6,530,335</b>	<b>7,171,631</b>
	<hr/> <hr/>	<hr/> <hr/>

Trade debtors are stated after provisions for impairment of £62,730 (2022: £42,259).

Other receivables include a value of £1,490,842 for prepaid rent at Harewood Whin.

Amounts owed by group undertakings include amounts due to both NYCC and CYC – these amounts are included separately within Note 24. Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

### 13 INVESTMENTS

	2023 £	2022 £
Restricted cash escrow accounts	160,955	168,119
Term Deposits	3,000,000	-
	<hr/>	<hr/>
	<b>3,160,955</b>	<b>168,119</b>
	<hr/> <hr/>	<hr/> <hr/>

As a condition of granting waste management licences at the Company's West Tanfield and Scorton landfill sites, the Company has had to satisfy the Environment Agency's Financial Provision requirements. This has been done by the setting up of Escrow Accounts. Monies from these accounts cannot be drawn upon without the authority of the Environment Agency.

# YORWASTE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

### 14 DEFERRED TAX (ASSET)/LIABILITY

The provision for deferred tax consists of the following deferred tax liabilities:

	2023 £	2022 £
Restoration provision	(66,112)	(11,458)
Fixed asset timing differences	1,174,117	737,551
Tax Losses	(408,161)	(207,249)
Short term timing differences	(232,470)	(186,109)
	<hr/>	<hr/>
Deferred tax liability	467,374	332,735
	<hr/> <hr/>	<hr/> <hr/>

The company has trading losses of £1,632,642 (2022: £828,997) which has been recognised as recoverable and available for offset against trading profits arising in future years. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such deductions are reversed when the probability of future taxable profits improves.

# YORWASTE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

### 15 CREDITORS: AMOUNT FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Trade creditors	849,420	1,019,409
Amounts owed to group undertakings	1,382,429	1,005,054
Other taxation and social security	415,030	363,628
Other creditors	89,643	135,924
Loans from CYC / NYCC	-	488,865
Accruals and deferred income	2,636,970	3,042,758
	<u>5,373,492</u>	<u>6,055,638</u>

Balances owed to Group undertakings are unsecured, interest free and are repayable on demand.

Amounts owed by group undertakings include amounts due to both NYCC and CYC – these amounts are included separately within Note 24.

### 16 CREDITORS: AMOUNT FALLING DUE AFTER MORE THAN ONE YEAR

	2023 £	2022 £
Loan from NYCC	3,700,000	5,643,250
Loan from CYC	1,000,000	1,501,075
	<u>4,700,000</u>	<u>7,144,325</u>

Balances owed to Group undertakings are unsecured, interest free and are repayable on demand.

The loans from NYCC and CYC attract interest at a rate of 4% above the Bank of England Base rate. They are repayable within thirteen months' notice of the date of any demand. The Company has granted a second fixed and floating charge over the Company's assets as security for these loans. The Directors confirm that at the date of signing of these Financial Statements that notice has not been served by either NYCC or CYC for repayment of their loans.

# YORWASTE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

### 17 PROVISIONS FOR OTHER LIABILITIES

	2023 £	2022 £
Restoration and Aftercare	9,900,245	7,921,157
Deferred Tax Liability (note 15)	467,374	332,735
Dilapidation costs	865,615	1,120,801
Onerous lease provision	30,000	51,333
	<u>11,263,234</u>	<u>9,426,026</u>

#### Restoration and Aftercare Provisions

	Restoration £	Aftercare £ (Restated)	Total £ (Restated)
At 1 April 2022	386,957	5,266,066	5,653,023
Restated	-	2,268,134	2,268,134
	<u>386,957</u>	<u>7,534,200</u>	<u>7,921,157</u>
Provision revaluation	(13,296)	2,281,110	2,267,814
	<u>373,661</u>	<u>9,815,310</u>	<u>10,188,971</u>
Discount Unwind (Note 8b)	10,043	136,888	146,931
Expenditure incurred	1,303	(436,960)	(435,657)
	<u>385,007</u>	<u>9,515,238</u>	<u>9,900,245</u>

The Restoration and Aftercare provisions relate to amounts payable in respect of the restoration of maintenance of sites at the end of their useful lives.

The restoration provision is expected to be expended in the next 3 years whilst the aftercare will be expended over the next 35 years.

#### Restoration and Aftercare of Landfill Sites

The restoration and aftercare provisions relate to amounts payable in respect of the restoration and maintenance of sites, at the end of their useful lives to ensure the Company complies with Environmental Permits.

The provision has been reviewed by management in 2022/23 which has led to an increase in the amounts provided. There were some operating costs that had not been previously included in the provision and have been adjusted retrospectively, being £2,268,134.

The total increase in the estimate of the provision during the year is £4,549,244. As above, £2,268,134 of this amount has been treated as a prior year restatement. This increase to the provision and the associated impact on Tangible assets should have been built up over the period where the relevant site was being utilised and released over the remaining revenue generating life of the site. As these sites were at full capacity some time ago a £1,679,918 of depreciation would already have been incurred by the

# YORWASTE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

### 17 PROVISIONS FOR OTHER LIABILITIES (continued)

opening balance sheet date. The provision would be released over the remaining aftercare period as the costs are incurred

This has led to the following adjustments across the relevant financial statement line items

Opening Fixed assets – Restoration and Aftercare costs have increased by £2,268,134

Opening Fixed assets – Restoration and Aftercare accumulated amortisation have increased by £1,679,918

Opening Fixed assets – Restoration and Aftercare net book value has increased by £588,216

Opening Aftercare Provision has increased by £2,268,134

Opening Retained Earnings has decreased by £1,679,918

# YORWASTE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

### Dilapidation and Onerous Lease Provisions

	Dilapidations £	Onerous Lease £	Total £
At 1 April 2022	1,120,801	51,333	1,172,134
Provided	402,624	-	402,623
	<u>1,523,425</u>	<u>51,333</u>	<u>1,574,757</u>
Expenditure incurred	(657,809)	(21,333)	(679,142)
	<u>865,616</u>	<u>30,000</u>	<u>895,615</u>
<b>At 31 March 2023</b>	<b>865,616</b>	<b>30,000</b>	<b>895,615</b>

### Dilapidations Provision

As part of the Company's property leasing arrangements there is an obligation to repair damages which incur during the life of the lease, such as wear and tear. The cost is charged to profit and loss as the obligation arises.

### Onerous lease provision

Where leasehold properties become vacant, the group provides for all costs, net of anticipated income, to the end of the lease or the anticipated date of the disposal or sublease. This provision relates to Kiplin Hall which has been held as a strategic reserve and is now surplus to the group's requirements. The provision is expected to be utilised over the life of the related lease to 2023.

## 18 FINANCIAL INSTRUMENTS

The Company has the following financial instruments:

	Notes	2023 £	2022 £
Financial assets that are debt instruments measured at amortised cost			
- Trade debtors	12	938,793	663,155
- Amounts owed by group undertakings	12	2,512,895	3,265,492
- Other receivables	12	1,501,645	1,752,548
- Investments	13	3,160,955	168,119
		<u>8,114,288</u>	<u>5,849,314</u>
Financial liabilities measured at amortised cost			
- Senior loans	15/16	4,700,000	7,633,190
- Trade creditors	15	849,420	1,019,409
- Amounts owed to group undertakings	15	1,382,429	1,005,054
- Other creditors	15	504,673	499,552
		<u>7,436,522</u>	<u>10,157,205</u>



# YORWASTE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

### 19 CALLED UP SHARE CAPITAL

	Number	£
Ordinary shares of £1 each Allotted and fully paid		
At 31 March 2022	4,526,000	4,526,000
<b>At 31 March 2023</b>	<b>4,526,000</b>	<b>4,526,000</b>

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

### 20 NOTES TO THE CASH FLOW STATEMENT

	2023 £	2022 £
<b>Profit for the financial year</b>	<b>1,173,064</b>	609,677
Adjustments for:		
Tax on profit	<b>134,638</b>	398,697
Net interest expense	<b>575,725</b>	596,783
Operating profit	<b>1,883,427</b>	1,605,157
Depreciation of tangible assets	<b>2,729,934</b>	2,393,879
Profit on disposal of tangible assets	<b>(379,007)</b>	(123,702)
Movements in other provisions less payments	<b>(1,004,945)</b>	(388,374)
Working capital movements:		
- Decrease/(Increase) in debtors	<b>787,134</b>	(929,805)
- (Decrease)/Increase in payables	<b>(32,443)</b>	439,671
Change in Escrow investments	<b>7,164</b>	-
<b>Net cash generated from operating activities</b>	<b>3,991,264</b>	2,996,826

#### Analysis of changes in net debt

	At 1 April 2022 £	Cash flows £	At 31 March 2023 £
Senior loans	(7,633,190)	2,933,190	<b>(4,700,000)</b>
<b>Cash and cash equivalents</b>			
Cash at bank and in hand	7,954,928	(3,773,885)	<b>4,181,043</b>
<b>Total</b>	<b>321,738</b>	<b>(840,695)</b>	<b>(518,957)</b>

# YORWASTE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

### 21 CONTINGENT LIABILITIES

Yorwaste Limited has counter indemnified bonds required by the Environment Agency and customers to the sum of £4,877,842 (2022: £4,692,111) which has been provided on its behalf by Svenska Handelsbanken. To secure this Svenska Handelsbanken have been granted a debenture over the Company's assets.

### 22 CAPITAL AND OTHER COMMITMENTS

At 31 March, the Company had the following capital commitments:

	2023 £	2022 £
Contracts for future capital expenditure not provided in the Financial Statements – Property, plant and equipment.	1,303,789	636,886

The Company had the following future minimum lease payments under non-cancellable operating leases for each of the following periods.

	2023 £	2022 £
Payments due:		
Not later than one year	1,673,996	1,650,451
Later than one year and not later than five years	2,158,650	3,522,171
More than 5 years	2,837,125	3,046,190

The Company had no other off-balance sheet arrangements.

### 23 RELATED PARTY TRANSACTIONS

Yorwaste Limited has contracted with its principal shareholder, North Yorkshire County Council to provide waste management services. These services are negotiated on an arm's length basis.

The total value of services provided in the year was £29,732,313 (2022: £27,540,787) and, as at 31 March 2023, the trading debtor balance outstanding was £2,376,910 (2022: £2,406,944).

In addition, North Yorkshire County Council provided services to Yorwaste Limited totalling £7,853,656 (2022: £6,159,105) of which £1,139,284 (2022: £633,078) was outstanding to be paid as at 31 March 2023.

Yorwaste Limited has contracted with its minority shareholder, City of York Council, to provide waste management services to City of York Council. Contracted prices are negotiated on an arm's length commercial basis.

The total value of services provided in the year including landfill tax was £4,565,826 (2022: £4,419,886) and, as at 31 March 2023, the debtor balance outstanding was £135,985 (2022: £858,548).

In addition, City of York Council provided services to Yorwaste Limited totalling £1,682,532 (2022: £1,437,632) of which £131,551 (2022: £216,147) was outstanding to be paid as at 31 March 2023.

Interest was payable on the North Yorkshire County Council and City of York Council loans as disclosed in Note 8.

# YORWASTE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

Veritau Limited a jointly owned subsidiary of North Yorkshire County Council and City of York Council provided internal audit services of £10,655 in the year (2022: £5,540) of which £4,176 (2022: £6,648) was outstanding to be paid as at 31 March 2023.

First North Law a fully owned subsidiary of North Yorkshire County Council provided legal services of £24,000 in the year (2022: £23,700) of which £2,400 (2022: £nil) was outstanding to be paid as at 31 March 2023.

### 24 CONTROLLING PARTY

The ultimate parent undertaking and controlling party is North Yorkshire County Council, the Company's majority shareholder. North Yorkshire County Council heads the largest and smallest groups to consolidate these financial statements. Copies of the financial statements of North Yorkshire County Council are available from County Hall, Northallerton, North Yorkshire, England, DL7 8AH.

### 25 CASH AT BANK AND IN HAND

	2023 £	2022 £
<b>Cash and cash equivalents</b>		
Cash at bank and in hand	4,181,043	7,954,928
	<hr/>	<hr/>
<b>Total</b>	<b>4,181,043</b>	<b>7,954,928</b>
	<hr/> <hr/>	<hr/> <hr/>