

# CYC SHAREHOLDER SCRUTINY COMMITTEE

## Yorwaste Ltd & SJB Recycling Ltd Business Update

### **Content**

The Managing Director, Stephen Barker, intends to present to the committee, a business update for Yorwaste & SJB Recycling, including key business developments and trading performance to the end of 2016/17 Q3.

### **Business Reporting Cycle.**

The Yorwaste group business cycle has the following key elements:

1. 3 year business plan update - approved by the Yorwaste/SJB Board of Directors in September and then forwarded to the Shareholders for approval.
2. Annual budget – approved by the Yorwaste/SJB Board of Directors in February and then forwarded to the Shareholders for approval.
3. Annual external accounts audit – Signed Audited Accounts approved by the Yorwaste/SJB Board of Directors in June

It is anticipated that in future the business plan update will be presented to the CYC shareholder scrutiny committee each October and the annual budget presented each March.

### **Business Plan – Executive Summary**

The Yorwaste group comprising Yorwaste Ltd and SJB Recycling Ltd is, in effect, a compilation of small waste businesses that whilst operating together offer synergies from a cost perspective, are influenced by different commercial markets and external factors. The group has a strong market position in Yorkshire, its core operating area, that it must capitalise on, in order to deliver full value to its shareholders.

Yorwaste operates as a Teckal compliant business which allows its shareholders to directly award waste management contracts in the areas the business provides services; landfill, trade collection, waste transfer, HWRC operation, green and wood etc.

SJB Recycling is the UK's largest independent, specialist, green waste composting business and is the regions leading operator. Expansion of its customer base and value creation from its products, under the newly created Yorganics™ brand, is the business's key short-term development opportunity.

Over the next 3 years the key areas of focus for the group's management team will be:

1. To deliver strong and consistent levels of financial return to its shareholders by maximising the opportunities of the Teckal and commercial growth.
2. Ensuring high standards of health and safety and environmental compliance.
3. Providing high quality, cost effective services, to all its customers.
4. Maximising the opportunity and value of Allerton Waste Recovery Park (AWRP) for the shareholders and the provision of all necessary infrastructure to feed AWRP.
5. Supporting and advising the shareholders with regards their statutory duties relating to the provision of waste services. Actively managing the risks relating to the shareholders statutory obligations.
6. Focusing on developing maximum value from shareholder waste streams unsuitable for AWRP.

7. Continued expansion of the relationship between the Company and its shareholders at all levels to maximise the synergy opportunities from being a Teckal.
8. Identifying commercial growth opportunities that will dilute the Group's overhead costs across a wider commercial offering.
9. Developing a performance orientated culture across the Group.

### **Shareholder Approvals**

Shareholder approval is being sought for the following:

1. Approval of the 3 year business plan
2. Approval of the budgets for both Yorwaste and SJB Recycling
3. Approval of the business development proposals contained in the business plan as well as the shareholder funding necessary to support the plan.

Important Note: the content of the business plan and budgets contains commercially sensitive information and is not for general circulation.

### **Appendices (all commercially confidential)**

1. 3 year business plan
2. Business development & funding paper
3. Yorwaste Ltd budget summary 2017-18
4. SJB Recycling Ltd budget summary 2017-18