

Appendix 1:

YORWASTE

1. How Yorwaste delivers shareholder value.

As a Teckal company, Yorwaste delivers shareholder value in a number of ways:

Directly through either a reduction in the cost of service provision to the shareholding authority or in the generation of profits which accrue to the shareholding authority. This value is enhanced by the operation of commercial activities which can offset operating costs to the authority or enhance the generation of profits.

Indirectly through the shareholders' investment in Allerton Waste Recovery Park (AWRP) by maximising their potential financial return from volume related contractual terms.

Intangibly in that, because of its shareholding ownership, additional ad-hoc services and assistance to the shareholding authority are provided at either cost or zero charge.

The challenge for Yorwaste is to balance the above factors to deliver a cost effective, tax efficient, value for money solution for the local taxpayer.

2. Report & Accounts for Fiscal Year ending March 2025

The Yorwaste Annual Report & Accounts for the Year ending March 2025 have been filed at Companies House and a copy is included as an appendix to this report.

3. Update on current performance

The company continues to perform well and is broadly in line with budget expectations. It should be noted that this year's budget profit is lower than last year as we have absorbed some significant cost increases, including living wage increases and the National Insurance hikes, rather than pass them onto the client at a time when authorities budgets are under considerable pressure.

Whilst there are still six months to go we have a cautious expectation of delivering a profit in the range of £0.6m to £0.8m, however this assumes current trends continue.

We recently lost a significant third party commercial recycle processing arrangement which would have presented an unbudgeted

upside. As a result our headroom for absorbing any unforeseen shocks has been reduced.

AWRP is once again operating within normal parameters following a period of extended downtime and we are still on course to deliver the Authorities' volume targets

3. Governance & Environmental

The Board has seen a number of changes in recent months and in keeping with best practice governance all Directors, including the most recent appointments, have received Director Responsibility training.

Whilst planning for Harewood solar has been granted there were a number of planning conditions which requires to be addressed. The Company is currently working through those conditions and hope to have them resolved in the next couple of months.

The Company has a target to be net zero on its electricity by 2030 which could be satisfied with c. 1MW of solar investment on Harewood and it would make sense to explore this alongside CYCs plans for the wider site development.

4. Looking Forward

A recent workshop with the Authorities' waste teams explored a number of strategic options for consideration. The Company is now awaiting guidance from Authorities on if, which, and how any of those options are to be progressed.

Pending the outcome of that process the Company is focusing on BAU to continue to control operational costs and grow Commercial revenues streams.