

YORWASTE LIMITED

YORWASTE LIMITED

Registered Number: 02666908

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2026

YORWASTE LIMITED

YEAR ENDED 31 MARCH 2026

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YORWASTE LIMITED

Company Registration No. 02666908

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2026

COMPANY STRATEGY

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

The Company is wholly owned by two local authorities: North Yorkshire Council ("NYC") (77.3%) and the City of York Council ("CYC") (22.7%) (together referred to as the "Controlling Authorities") and operates under the Teckal exemption. To satisfy the requirements of the Teckal exemption, the Company complies with the following conditions:

1. The Controlling Authorities exercise control over the operations of the Company.
2. Over 80% of the Company's activities are carried out on behalf of the Controlling Authorities.
3. The Company has no private share ownership.

Under the Teckal arrangement, shareholder value is delivered through reducing the cost of service provision to the Controlling Authorities, generating contribution from commercial operations and, where appropriate, generating a profit. Any cost savings and profits ultimately contribute to reducing the cost of waste management to the local taxpayer.

The Directors have identified the following strategic priorities, which are pursued in response to regulatory, market and customer requirements:

- To prioritise health and safety across all activities to protect employees, contractors and customers.
- To deliver waste management solutions that are economically and environmentally sustainable, supporting waste reduction, recycling and resource efficiency.
- To operate an efficient and cost-effective waste transfer station network.
- To operate Household Waste Recycling Centres ("HWRCs") in a customer-focused and cost-effective manner, while maximising recycling rates.
- To develop commercial waste services to generate income and improve overall financial sustainability.
- To manage closed landfill sites in a cost-effective and environmentally compliant manner, including the development of long-term income-generating opportunities to offset aftercare liabilities.

Performance against these strategic priorities is monitored through key operational and financial metrics reported to the Board.

Further detail on the Company's financial and operational performance is set out in the Performance in Period section.

A new Teckal agreement with The North Yorkshire Council was renewed 26 September 2025, and City of York Council extended their agreement for a further 5 years.

BUSINESS REVIEW

The Company provides a range of waste management services to its shareholder local authorities under the Teckal exemption. These services include the operation of waste transfer stations, transportation of waste to disposal sites, composting of green waste and production of PAS100 compost, management and processing of recyclable materials, and the operation of Household Waste Recycling Centres.

The Company also operates commercial waste services, including the collection, recycling and disposal of waste for third-party customers.

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In addition, the Company manages the environmental obligations associated with its closed landfill sites and generates electricity from landfill gas at certain locations.

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2026 (continued)

As a company operating under the Teckal exemption, the majority of the Company's activities relate to the provision of services to its Controlling Authorities. The Company works closely with its shareholders to manage day-to-day operations and to support the development of future waste strategies in response to local requirements and national policy developments.

PERFORMANCE IN PERIOD

The Company delivered a solid performance in a challenging year, characterised by rising inflation, particularly in labour costs, intensifying price-sensitive competition in commercial services, and continued pressure on local authority budgets.

Safety remains the Company's foremost priority. Following a period of 32 months without RIDDOR-reportable incidents, the Company recorded two RIDDOR-reportable incidents during the year. Whilst this represents a deterioration on prior year, the incidents were relatively minor in nature. The Company has continued to invest in safety improvements, including the implementation of an FHOSS proximity warning system across key mobile plant. The Company was also awarded its seventh RoSPA Gold Award in recognition of its ongoing commitment to health and safety.

As part of its wider risk management framework, the Company maintained accreditation to ISO14001 (Environment), 9001 (Quality), 45001 (H&S), 50001 (Energy).

The Directors recognise that employees are a key asset of the business. During the year, the Company was awarded Investors in People Silver accreditation, reflecting its commitment to employee development and wellbeing.

Turnover increased by 4.4% during the year. Like-for-like growth in commercial sales was partially offset by the loss of third-party recycle processing contracts, against a backdrop of increased competition. Power generation revenues were broadly stable, with modest improvements in pricing offset by an ongoing long-term decline in volumes.

Operating costs increased due to government policy changes, including higher employer National Insurance contributions and increases in the National Minimum Wage. These pressures impacted the Company directly and indirectly through increased supplier costs. As a Teckal company, with the majority of revenues derived from local authorities, there was limited scope to recover these increases. Accordingly, the Company absorbed the majority of these cost pressures.

The Company has maintained control over its underlying cost base, notwithstanding mobilisation costs associated with the implementation of Simpler Recycling and the expansion of food waste services. A reduction in the FRS 12 landfill aftercare provision amortisation partially offset wider cost increases.

The reduction in profit was primarily driven by inflationary cost increases which were not recoverable through pricing, partially offset by revenue growth and ongoing cost control measures. As a result, Profit Before Tax decreased to £0.95m (2025: £1.65m).

Cash generation remained strong. Capital expenditure totalled £5.7m (2025: £5.2m), reflecting continued investment in fleet and site infrastructure. The transition from leased to owned vehicles continued, with £0.9m financed during the year. The Directors are satisfied that the Company has sufficient liquidity to meet its planned investment programme.

At the year end, the Company had net assets of £11,230,457 (2025: £10,261,980).

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STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2026 (continued)

BUSINESS PERFORMANCE

<u>KPI</u>	<u>Definition and method of calculation</u>	<u>2026</u>	<u>2025</u>
Gross Profit Margin	Gross profit in the year expressed as a percentage of turnover from operations	8.2%	9.3%
Administrative Expenses Ratio	Administrative expenses (excluding bad debts) in the year expressed as a percentage of turnover.	5.4%	5.5%
Cash Generation	EBITDA	£5.1m	£6.1m
Return on Capital Employed	EBIT, as a percentage of net assets.	14.7%	23.3%
RIDDOR Reportable Health and Safety Incidents	Number of RIDDOR reportable incidents	2	-
Environmental Compliance	Number of enforcement notices received from the Regulator	-	-

LOOKING FORWARD

The Company has demonstrated resilience in managing cost pressures, including absorbing increases on behalf of its local authority partners. The Directors continue to engage with these stakeholders to review funding arrangements and support the long-term sustainability of the business.

The Government's "Simpler Recycling" reforms are expected to influence future service design and delivery. The Company continues to work with local authorities to support implementation and has expanded commercial food waste and recycling services during the year.

The Company operates within a changing regulatory environment, and there remains uncertainty regarding the timing and funding of policy implementation. In addition, recycling markets continue to exhibit pricing and quality volatility, which may impact income streams.

The Company also continues to experience labour market pressures, particularly within operational roles. The Directors recognise the importance of workforce development and retention in maintaining service performance.

The Company continues to invest in its IT infrastructure to mitigate cyber security risks and retains Cyber Essentials Plus accreditation.

The Company maintains Investors in People and Good Business Charter accreditations, reflecting its commitment to employees and responsible business practices.

The Directors consider that the Company remains financially resilient, with strong cash generation supporting ongoing investment in operations and infrastructure.

PRINCIPAL RISKS AND UNCERTAINTIES

The Company maintains a Strategic Risk Register which is reviewed by the Management Team on a regular basis. The Board reviews risk exposure and the effectiveness of mitigating actions.

The Company operates within a regulated and competitive environment and is subject to a range of operational and financial risks. The Directors consider the following to be the principal risks, having regard to their potential impact and likelihood.

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STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2026 (continued)

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

Health and Safety

The Company operates in a hazardous sector where failures in health and safety management could result in injury or operational disruption.

The Company maintains robust systems, training and oversight, with performance reviewed regularly at management and Board level.

Regulatory and Policy Environment

The Company is subject to evolving legislation and policy which may affect operating models and costs.

The Company monitors developments and works with stakeholders to respond appropriately.

Government Resource and Waste Strategy

Implementation of the Government's strategy may impact waste composition, service delivery and funding.

The Company has considered a range of outcomes and is seeking to mitigate risks and capture opportunities.

Closed Landfill Liabilities

The Company provides for landfill aftercare obligations, which involve estimation uncertainty.

The Directors are satisfied that forecast cash flows remain sufficient, and the position is regularly reviewed and independently assessed.

Competition

The Company operates in a competitive, price-sensitive market which may impact margins.

The Company focuses on customer retention, growth and operational efficiency.

Cyber Security

Cyber risks may result in operational disruption or data loss.

The Company maintains appropriate controls, including accreditation, training and system testing.

Property and Business Interruption Insurance

Insurance conditions in the sector remain stringent. Failure to comply could result in financial loss.

The Company maintains processes to manage risk and meet insurer requirements.

Climate Change and Net Zero

Climate-related risks may affect operating costs and asset requirements.

The Company is progressing renewable energy investment and fleet decarbonisation initiatives.

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STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2026 (continued)

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

The Directors of the Company consider, both individually and together, that they have acted in good faith and in a manner most likely to promote the success of the Company for the benefit of its members as a whole, having regard to the matters set out in section 172(1)(a–f) of the Companies Act 2006.

(a) Long-term consequences of decisions

The Board meets regularly to review performance and make decisions supporting the long-term sustainability of the Company, including capital investment and contractual arrangements.

(b) Interests of employees

The Directors recognise employees as a key stakeholder group and engage through regular communication and site visits.

The Company maintains training, induction and wellbeing support and paid employees above the Real Living Wage during the year.

(c) Relationships with suppliers, customers and others

The Company maintains close relationships with its principal customers, including shareholder local authorities, and actively manages supplier relationships.

(d) Impact on community and environment

The Company recognises its responsibilities to the communities it serves and the environment.

The Board includes elected members, and the Company supports community initiatives and maintained environmental compliance during the year.

(e) Maintaining high standards of business conduct

The Company maintains policies and controls to support ethical behaviour and compliance.

The Modern Slavery Statement is available on the Company's website.

(f) Acting fairly between members

The Company engages regularly with its shareholder local authorities to ensure transparency and alignment of objectives.

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STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2026 (continued)

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

Streamlined Energy & Carbon Reporting (SECR)

Energy Consumed	kWh		%	
	2026	2025	2026	2025
Scope 1				
Diesel - Transport	11,319,834	11,335,948	68%	67%
Diesel - Material Processing	4,068,861	3,944,334	24%	23%
Scope 2				
Electricity	1,380,776	1,717,903	8%	10%
Total	16,769,471	16,998,185	100%	100%

Emission Data	Units	Fuel Consumed		GHG Conversion Factor *GHG Conversion Factor *		Emission (Kg CO2 eq)		Emission (Tonne CO2 eq)	
		2026	2025	2026	2025	2026	2025	2026	2025
Scope 1									
Diesel - Transport	Litres	1,142,847	1,146,742	2.570820	2.51000	2,938,054	2,878,322	2,938	2,878
Diesel - Material Processing	Litres	410,791	399,008	2.570820	2.51000	1,056,070	1,001,510	1,056	1,002
Scope 2									
Electricity	kWh	1,380,776*	1,717,903*	0.177000	0.207074	244,397	355,733	244	356
Total emission								4,238	4,236

* UK Government GHG Conversion Factors for Company Reporting Version2 2022

Energy Intensity Metric	2026	2025	
Total Carbon emission (CO ₂ eq)	4,238	4,236	Tonnes
Total mass of waste handled	452,349	460,554	Tonnes
Emission (CO ₂ eq) per tonne of waste handled	9.37	9.20	Kg/T

Improving energy efficiency

During the 2025/26 period, the solar PV system installed at the Northallerton Head Office Building and Thirsk site generated 169,890 kWh of electricity, with Thirsk being a new current year installation. The energy generated by these PV systems is detailed below.

In addition, electricity is produced utilising the landfill gas generated from waste in the landfills, although this is a declining benefit as the waste decomposes.

The energy generated through these initiatives 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)	
	2026	2025	2026	2025	2026	2025	2026	2025
Renewable energy generated (Solar PV)	169,890	36,865	0.177000	0.207074	30,071	7,634	30	8
Landfill Gas	13,184,358	17,223,635	0.177000	0.207074	2,333,631	3,566,567	2,334	3,567

*(2026) <https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2025>
 (2025) UK Government GHG Conversion Factors for Company Reporting Version 2 2022

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On behalf of the Board on 23 June 2026

A handwritten signature in black ink, appearing to read 'J Weighell', written in a cursive style.

Cllr. J Weighell
Chairman

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DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2026

The Directors present their report and the audited financial statements for the year ended 31 March 2026.

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 2026 can be found on pages 3 to 9. 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
Cllr. J Weighell	NYC Chairman and Non-Executive Director
Cllr. A Lee	NYC Non-Executive Director (resigned 17 June 2025)
Cllr. G White	NYC Non-Executive Director (appointed 17 June 2025)
K Battersby	NYC Non-Executive Director
Cllr. R Melly	CYC Non-Executive Director (resigned 22 May 2025)
D Mitchell	CYC Non-Executive Director (appointed 2 June 2025, resigned 1 September 2025)
J Gilchrist	CYC Non-Executive Director (appointed 2 September 2024, resigned 1 June 2025)
Cllr. K Taylor	CYC Non-Executive Director (appointed 22 May 2025) (resigned 21 May 2026)
Cllr. A Baxter	CYC Non-Executive Director (appointed 22 May 2026)
D Atkinson	CYC Non-Executive Director (appointed 1 September 2025)

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. This policy was in force for the whole of the year and continues to be in force.

RESULTS AND DIVIDENDS

The results for the year ending 31 March 2026 are set out in the Profit & Loss Account on page 17. The Key Performance Indicators (KPIs) are reported on page 4 of the Strategic Report.

No dividend was declared for the year (2025: £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.

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DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2026 (continued)

ACCOUNTING POLICIES

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

MODERN SLAVERY

In compliance with the Modern Slavery Act 2015, the Company's statement on Modern Slavery can be found on the Company's website at www.Yorwaste.co.uk.

POLITICAL DONATIONS

The Company has a policy not to make political donations.

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.

The Company has periodic independent audits, outside of the annual statutory audit, covering various aspects of the financial process to help identify any areas of risk and ensure the Company is following best practice guidelines.

HEALTH & SAFETY MANAGEMENT

The health and safety of employees, contractors and members of the public remain 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. The Company has also maintained its ROSPA Gold award for the 7th year in a row.

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DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2026 (continued)

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 period. 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 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 also 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.

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 23 June 2026



Cllr. J. Weighell
Chairman

YORWASTE LIMITED

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 2026 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 2026;
- the Profit and Loss Account for the year then ended;
- the Statement of Changes in Equity for the year then ended;
- 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.

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

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.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the 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 2026 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.

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

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

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, employment 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 and 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 profit through the creation of fictitious sales 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;
- Identifying and testing journal entries, in particular journal entries posted with unusual account combinations impacting revenue; and
- Challenging assumptions and judgements made by management in their key accounting estimates, in particular those made in respect 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. 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
- the company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made.

We have no exceptions to report arising from this responsibility.



Xi Chen (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Newcastle upon Tyne
23 June 2026

YORWASTE LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2026

	Note	2026 £	2025 £
TURNOVER	5	47,231,594	45,261,501
Cost of Sales		(43,369,009)	(41,040,442)
GROSS PROFIT		3,862,585	4,221,059
Administrative Expenses		(2,629,902)	(2,513,109)
Other Operating Income		414,194	680,857
OPERATING PROFIT	6	1,646,877	2,388,807
Interest Receivable and Similar Income	8a	250,794	178,521
Interest Payable and Similar Expenses	8b	(949,671)	(917,328)
Net Interest Expense	8c	(698,877)	(738,807)
PROFIT BEFORE TAXATION		948,000	1,650,000
Tax on Profit	9	20,477	(534,341)
PROFIT FOR THE FINANCIAL YEAR		968,477	1,115,659

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

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

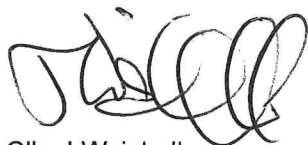
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BALANCE SHEET AT 31 MARCH 2026

	Note	As at 31 March 2026 £	As at 31 March 2025 £
FIXED ASSETS			
Tangible assets	10	21,003,509	17,781,951
		21,003,509	17,781,951
CURRENT ASSETS			
Debtors	11	6,775,863	8,244,860
Investments	12	3,525,000	-
Cash at bank and in hand		4,134,917	7,774,414
CREDITORS : Amounts falling due within one year	14	14,435,780 (6,718,948)	16,019,274 (6,387,238)
NET CURRENT ASSETS		7,716,832	9,632,036
TOTAL ASSETS LESS CURRENT LIABILITIES		28,720,341	27,413,987
CREDITORS : Amounts falling due after more than one year	15	(6,261,677)	(6,093,701)
PROVISIONS FOR OTHER LIABILITIES	17	(11,228,207)	(11,058,306)
NET ASSETS		11,230,457	10,261,980
CAPITAL AND RESERVES			
Called up share capital	19	4,526,000	4,526,000
Retained earnings		6,704,457	5,735,980
Total Equity		11,230,457	10,261,980

The notes on pages 21 to 41 are an integral part of these Financial Statements.

The Financial Statements on pages 17 to 41 were approved by the Board of Directors at 23 June 2026 and were signed on its behalf by:



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



A Boyle
Managing Director

YORWASTE LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2026

	Called up Share Capital £	Retained Earnings £	Total Equity £
Balance as at 1 April 2024	4,526,000	4,620,321	9,146,321
Profit for the financial year	-	1,115,659	1,115,659
Total comprehensive income for the year	-	1,115,659	1,115,659
Balance as at 31 March 2025	4,526,000	5,735,980	10,261,980
Balance as at 1 April 2025	4,526,000	5,735,980	10,261,980
Profit for the financial year	-	968,477	968,477
Total comprehensive income for the year	-	968,477	968,477
Balance as at 31 March 2026	4,526,000	6,704,457	11,230,457

YORWASTE LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2026

	Note	2026 £	2025 £
Net cash from operating activities	20	5,277,138	4,639,169
Taxation (paid)		-	-
Net cash generated from operating activities		5,277,138	4,639,169
Cash flow from investing activities			
Purchase of tangible assets		(5,707,030)	(5,193,908)
Investments		(3,525,000)	-
Proceeds from disposals of tangible assets		221,755	213,520
Interest received		250,794	178,521
Net cash used in investing activities		(8,759,481)	(4,801,867)
Cash flow from financing activities:			
Receipts from vehicle financing		853,953	2,034,759
Repayment of obligations under finance leases		(501,370)	(265,362)
Interest paid		(509,737)	(508,037)
Net cash (used in)/generated from financing activities		(157,154)	1,261,360
Net (decrease) / increase in cash and cash equivalents		(3,639,497)	1,098,662
Cash and cash equivalents at the beginning of the year		7,774,414	6,675,752
Cash and cash equivalents at the end of the year		4,134,917	7,774,414
Cash and cash equivalents consists of:			
Cash at bank and in hand		4,134,917	7,774,414
Cash and cash equivalents		4,134,917	7,774,414

YORWASTE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

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.

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 of inflation 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 The North Yorkshire Council.
- (ii) Key management personnel compensation, as required by FRS 102 paragraph 33.7.
- (iii) 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 2026 (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.

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 2026 (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 2026 (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 | - Varies according to location and the useful economic life of the site where the aftercare and restoration costs will be incurred over a period of up to 35 years. |
| • Motor vehicles | - 7 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 2026 (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 2026 (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 2026 (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 2026 (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 directors, 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 2026 (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.

(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 5.49% (5.29%). A change in the discount rate of 1% has an impact of approximately £0.8m

YORWASTE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026 (continued)

5 TURNOVER

	2026 £	2025 £
Analysis of turnover by geography:		
United Kingdom	47,231,594	45,261,501
	2026 £	2025 £
Analysis of turnover by category:		
Waste management services	46,429,902	44,512,854
Power generation	801,692	748,647
Turnover	47,231,594	45,261,501

6 OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2026 £	2025 £
Wages and salaries (including Directors)	9,975,688	9,548,783
Social security costs (including Directors)	1,274,374	935,702
Other pension costs (including Directors)	387,750	357,381
Staff costs charged to profit and loss	11,637,812	10,841,866
(Profit) on disposal of tangible assets	(99,502)	(123,669)
Reversal of Impairment of trade receivables	33,996	33,733
Operating lease charges	1,055,942	1,215,947
Fees payable to the Company's auditors' and their associates for the audit of the Company.	67,189	65,205
Fees payable to the Company's auditors' and their associates for other services:		
- Tax advisory services	15,535	11,005
Total amount payable to the Company's auditors' and their associates	82,724	76,210

The directors have agreed with the company's auditors that the auditor's liability to damages for breach of duty in relation to the audit of the company's financial statements for the year to 31 March 2026 should be limited to the greater of £5 million or 5 times the auditor's fees, and that in any event the auditor's liability for damages should be limited to that part of any loss suffered by the company as is just and equitable having regard to the extent to which the auditor, the company and any third parties are responsible for the loss in question. The shareholders waived the need for approval of this limited liability agreement, as required by the Companies Act 2006, by a resolution dated 15th December 2025

YORWASTE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026 (continued)

7 EMPLOYEES AND DIRECTORS

Employees

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

	2026 Number	2025 Number
Operational	251	242
Administration and central functions	40	39
Non-executive directors	3	3
Total	294	284

Directors

The Directors' emoluments were as follows:

	2026 £	2025 £
Aggregate emoluments	145,590	155,665
Highest paid director	113,998	113,852

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

Included within the above numbers the Company paid pension contributions of £9,994 (2025: £10,013) on behalf of one Director (2025: 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 Shareholders.

The Councillor Directors' remuneration is as follows:

	2026 £	2025 £
Non-Executive Directors (NYC)	8,121	10,794
Non-Executive Directors (CYC)	8,303	10,794
Chairman and Non-Executive Director	15,167	20,224

YORWASTE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026 (continued)

8 NET INTEREST EXPENSE

(a) Interest receivable and similar income

	2026 £	2025 £
Interest on short term deposits	250,794	178,521
Total interest receivable and similar income	250,794	178,521

(b) Interest payable and similar expenses

	2026 £	2025 £
Interest expense on shareholder loans	377,964	420,521
Finance lease interest	131,773	87,516
Finance charge on provisions	439,934	409,291
Total interest payable and similar expenses	949,671	917,328

(c) Net interest expense

	2026 £	2025 £
Interest receivable and similar income	250,794	178,521
Interest payable and similar expense	(949,671)	(917,328)
Net interest payable and similar expenses	(698,877)	(738,807)

YORWASTE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026 (continued)

9 TAX ON PROFIT

(a) Tax charge included in profit or loss

	2026 £	2025 £
Current tax:		
- Adjustment in respect of previous years	-	-
Total current tax charge for the year	-	-
Deferred tax:		
- Origination and reversal of timing differences	356,091	516,456
- Adjustment in respect of previous years	(376,568)	17,885
Total deferred tax	(20,477)	534,341
Tax on profit	(20,477)	534,341

(b) Reconciliation of tax/charge

Tax assessed for the year is higher (2025: higher) than the standard rate of corporation tax in the UK for the year ended 31 March 2026 of 25% (2025: 25%). The differences are explained below:

	2026 £	2025 £
Profit before tax	948,000	1,650,000
Profit before tax multiplied by the standard rate of tax in the UK of 25% (2025: 25%)	237,000	412,500
Effects of:		
- Expenses not deductible for tax purposes	82,700	82,701
- Restoration provision movement (change of basis)	36,391	21,255
- Adjustment in respect of previous years	(376,568)	17,885
Tax charge for the year	(20,477)	534,341

YORWASTE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026 (continued)

10 TANGIBLE ASSETS

	Restoration and Aftercare Costs £	Land and Buildings £	Site Life Development £	Motor Vehicles £	Plant and Machinery £	Fixtures and Fittings £	Total £
At 1 April 2025							
Cost	23,200,251	12,563,208	17,866,020	4,630,914	14,424,115	4,549,704	77,234,212
Accumulated depreciation & impairment	(22,513,927)	(8,409,918)	(17,349,895)	(730,050)	(8,006,219)	(2,442,252)	(59,452,261)
Net book amount	686,324	4,153,290	516,125	3,900,864	6,417,896	2,107,452	17,781,951
Year ended 31 March 2026							
Opening net book amount	686,324	4,153,290	516,125	3,900,864	6,417,896	2,107,452	17,781,951
Reclassifications	-	-	-	-	15,656	(15,656)	-
Additions	1,103,609	-	-	2,392,861	3,024,604	289,565	6,810,639
Disposals	-	-	-	(106,632)	(10,233)	(5,388)	(122,253)
Depreciation	(708,409)	(290,799)	(42,496)	(798,540)	(1,210,638)	(415,946)	(3,466,828)
Closing net book amount	1,081,524	3,862,491	473,629	5,388,553	8,237,285	1,960,027	21,003,509
At 31 March 2026							
Cost	24,303,860	12,563,208	17,866,020	6,892,765	17,209,976	4,714,637	83,550,466
Depreciation	(23,222,336)	(8,700,717)	(17,392,391)	(1,504,212)	(8,972,691)	(2,754,610)	(62,546,957)
Net book amount	1,081,524	3,862,491	473,629	5,388,553	8,237,285	1,960,027	21,003,509

The net carrying amount of assets held under finance leases included in motor vehicles is £2,440,957 (2025: £1,978,618).

YORWASTE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026 (continued)

10 TANGIBLE ASSETS (continued)

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

	2026 £	2025 £
Freehold	335,568	335,568
Carrying amount	335,568	335,568

11 DEBTORS

	2026 £	2025 £
Trade debtors	1,086,754	1,535,784
Amounts owed by group undertakings	3,538,062	4,447,755
Other receivables	761,515	1,013,736
Other taxation and social security	214,231	-
Prepayments and accrued income	1,175,301	1,247,585
	6,775,863	8,244,860

Trade debtors are stated after provisions for impairment of £103,802 (2025: £82,756).

Other receivables include a value of £745,422 (2025: £993,896) for prepaid rent at Harewood Whin.

Amounts owed by group undertakings include amounts due to both NYC and CYC – these amounts are included separately within Note 23. Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

12 INVESTMENTS

	2026 £	2025 £
Monies held on term deposits	3,525,000	-
	3,525,000	-

The monies held on deposit are placed with Handelsbanken for original terms between 6 and 12 months, and they mature between 3 and 10 months after year end.

YORWASTE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026 (continued)

13 DEFERRED TAX LIABILITY

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

	2026 £	2025 £
Restoration provision	(10,278)	14,424
Fixed asset timing differences	3,311,018	2,841,192
Tax Losses	(1,733,728)	(1,317,052)
Short term timing differences	(160,229)	(111,304)
Deferred tax liability	1,406,783	1,427,260

The company has trading losses of £6,934,915 (2025: £5,268,209) 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.

14 CREDITORS: AMOUNT FALLING DUE WITHIN ONE YEAR

	2026 £	2025 £
Trade creditors	1,225,150	270,728
Finance leases	560,303	375,696
Amounts owed to group undertakings	1,391,474	1,938,079
Taxation and social security	263,213	492,721
Other creditors	89,372	89,510
Accruals and deferred income	3,189,436	3,220,504
	6,718,948	6,387,238

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

Amounts owed by group undertakings include amounts due to both NYC and CYC – these amounts are included separately within Note 23.

15 CREDITORS: AMOUNT FALLING DUE AFTER MORE THAN ONE YEAR

	2026 £	2025 £
Loans from NYC and CYC	4,700,000	4,700,000
Finance Leases	1,561,677	1,393,701
	6,261,677	6,093,701

YORWASTE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026 (continued)

16 LOANS AND OTHER BORROWINGS

	2026 £	2025 £
Loan from NYC	3,700,000	3,700,000
Loan from CYC	1,000,000	1,000,000
Finance Leases	2,121,980	1,769,397
	<u>6,821,980</u>	<u>6,469,397</u>

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

The loans from NYC 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 NYC or CYC for repayment of their loans.

Finance Leases

The future minimum finance lease payments are as follows	2026 £	2025 £
Not later than one year	665,673	470,505
Later than one year and not later than five years	1,676,667	1,529,143
	<u>2,342,340</u>	<u>1,999,648</u>
Total Gross Payments	2,342,340	1,999,648
Less finance charges	(220,360)	(230,251)
	<u>2,121,980</u>	<u>1,769,397</u>
Carrying amount of liability	2,121,980	1,769,397

17 PROVISIONS FOR OTHER LIABILITIES

	2026 £	2025 £
Restoration and Aftercare	9,233,320	8,554,279
Deferred Tax Liability (note 13)	1,406,783	1,427,260
Dilapidation costs	588,104	1,076,767
	<u>11,228,207</u>	<u>11,058,306</u>
Total Provisions for Liabilities	11,228,207	11,058,306

YORWASTE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026 (continued)

17 PROVISIONS FOR OTHER LIABILITIES (continued)

Restoration and Aftercare Provisions

	Restoration £	Aftercare £	Total £
At 1 April 2025	360,822	8,193,457	8,554,279
Provision revaluation	(16,092)	1,119,701	1,103,609
	<u>344,730</u>	<u>9,313,158</u>	<u>9,657,888</u>
Discount Unwind (Note 8b)	19,069	420,865	439,934
Amounts utilised	(706)	(863,796)	(864,502)
	<u>18,363</u>	<u>(442,931)</u>	<u>(424,568)</u>
At 31 March 2026	<u>363,093</u>	<u>8,870,227</u>	<u>9,233,320</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 2 years whilst the aftercare will be expended over the next 30 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.

Dilapidation Provisions

	Total £
At 1 April 2025	1,076,767
Additions dealt with in the profit or loss	(93,254)
	<u>983,513</u>
Amounts utilised	(395,409)
	<u>588,104</u>
At 31 March 2026	<u>588,104</u>

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.

YORWASTE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026 (continued)

18 FINANCIAL INSTRUMENTS

The Company has the following financial instruments:

	Notes	2026 £	2025 £
Financial assets that are debt instruments measured at amortised cost			
- Trade debtors	11	1,086,754	1,535,784
- Amounts owed by group undertakings	11	3,538,062	4,447,755
- Other receivables	11	761,515	1,013,736
- Investments	12	3,525,000	-
		8,911,331	6,997,275
Financial liabilities measured at amortised cost			
- Senior loans	15	4,700,000	4,700,000
- Trade creditors	14	1,225,150	270,728
- Amounts owed to group undertakings	14	1,391,474	1,938,079
- Finance Leases	14/15	2,121,980	1,769,397
- Other creditors	14	89,372	89,510
		9,527,976	8,767,714

19 CALLED UP SHARE CAPITAL

	Number	£
Ordinary shares of £1 each Allotted and fully paid		
At 31 March 2025	4,526,000	4,526,000
At 31 March 2026	4,526,000	4,526,000

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

YORWASTE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026 (continued)

20 NOTES TO THE CASH FLOW STATEMENT

	2026 £	2025 £
Profit for the financial year	968,477	1,115,659
Adjustments for:		
Tax on profit	(20,477)	534,341
Net interest expense	698,877	738,807
Operating profit	1,646,877	2,388,807
Depreciation of tangible assets	3,466,828	3,694,976
Profit on disposal of tangible assets	(99,502)	(123,669)
Movements in other provisions less payments	(1,353,165)	(623,031)
Working capital movements:		
- (Increase)/Decrease in debtors	1,468,997	(1,140,490)
- Increase/(Decrease) in payables	147,103	263,993
Change in Escrow investments	-	178,583
Net cash generated from operating activities	5,277,138	4,639,169

Analysis of changes in net debt

	At 1 April 2025 £	Cash flows £	At 31 March 2026 £
Senior loans	(4,700,000)	-	(4,700,000)
Cash and cash equivalents			
Cash at bank and in hand	7,774,414	(3,639,497)	4,134,917
Total	3,074,414	(3,639,497)	(565,083)

21 CONTINGENT LIABILITIES

Yorwaste Limited has counter indemnified bonds required by the Environment Agency and customers to the sum of £6,368,242 (2025: £6,227,827) 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. As at the balance date the Company is not aware of any liability and management have the intention of fully meeting requirements with the environment agency.

YORWASTE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026 (continued)

22 CAPITAL AND OTHER COMMITMENTS

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

	2026 £	2025 £
Contracts for future capital expenditure not provided in the Financial Statements – Property, plant and equipment.	1,035,936	1,642,081

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

	2026 £	2025 £
Payments due:		
Not later than one year	337,576	720,417
Later than one year and not later than five years	1,069,279	1,090,155
More than 5 years	2,956,401	3,151,257

The Company had no other off-balance sheet arrangements.

23 RELATED PARTY TRANSACTIONS

Yorwaste Limited has contracted with its principal shareholder, The North Yorkshire 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 £37,988,551 (2025: £37,885,774) and, as at 31 March 2026, the trading debtor balance outstanding was £3,348,311 (2025: £3,516,359).

In addition, The North Yorkshire Council provided services to Yorwaste Limited totalling £16,050,594 (2025: £13,353,957) of which £1,152,071 (2025: £1,735,966) was outstanding to be paid as at 31 March 2026.

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 was £4,934,582 (2025: £4,779,988) and, as at 31 March 2026, the debtor balance outstanding was £189,751 (2025: £931,396).

In addition, City of York Council provided services to Yorwaste Limited totalling £1,226,712 (2025: £1,188,218) of which £125,880 (2025: £115,893) was outstanding to be paid as at 31 March 2026.

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

Veritau Limited a jointly owned subsidiary of The North Yorkshire Council and City of York Council provided internal audit services of £9,500 in the year (2025: £8,125) of which £9,500 (2025: £3,480) was outstanding to be paid as at 31 March 2026.

First North Law a fully owned subsidiary of The North Yorkshire Council provided legal services of £38,808 in the year (2025: £25,480) of which £14,207 (2025: £4,280) was outstanding to be paid as at 31 March 2026.

YORWASTE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026 (continued)

24 CONTROLLING PARTY

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