

The Coventry and Solihull Waste Disposal Company Limited

Annual Report and Financial Statements

31 March 2026

Directors

K Starkey
D Truelove
R Gray (Non-executive)
A Felton (Non-executive)
B Hastie (Non-executive)

Auditors

Ernst & Young LLP
No. 1 Colmore Square
Birmingham
B4 6HQ

Bankers

Lloyds Bank Plc
30 High Street
Coventry
CV1 5RA

Registered office

Waste to Energy Plant
Bar Road
Coventry
CV3 4AN

Strategic report

The directors present their Strategic report for the year ended 31 March 2026.

Review of the business

The principal activity of the Company during the year continued to be the generation of energy using waste materials as the energy source.

The Company's primary financial and non-financial key performance indicators are as follows:

	2026 £m	2025 £m	Movement %
Turnover	40.3	34.5	16.8
Operating profit	17.5	22.0	(20.5)
Profit before taxation	18.3	22.5	(18.7)
Shareholders' funds	31.4	31.1	1.0
Employee numbers	65	71	(8.5)

Company turnover has been impacted by the failure of one of the Company's two turbines in May 2023. The failure is covered by insurance and subject to the policy deductibles. £2,281,000 (2025: £9,532,000) relating to business interruption and £984,000 (2025: £2,382,000) relating to material damage has been recognised in the income statement in the current year. The reduction in business interruption income from the prior year is due to the turbine operating at a reduced load until its final commissioning at the end of October 2025. The reduction in the material damage claim reflects the timing of expenditure on rectification works.

Turnover has increased due to the partial operation of the failed turbine up to the end of October when it resumed full operation. The impact of the turbine rectification has been partially offset by a reduction in the wholesale electricity price versus the prior year. Whilst the volume of treated waste was below that of the prior year, the revenue was slightly higher due to sales mix and slightly increased pricing. Cost of sales is adverse to prior year due to a planned full site outage taking place in the current year, and administration expenses include an increase in insurance premiums due to the May 2023 turbine failure. Also included in cost of sales is the reversal of £1,554,000 of electricity generator levy costs recognised in prior financial years. This reversal follows a recalculation of amounts due by the Company under the scheme.

The Company invested £4,153,000 (2025: £6,319,000) in tangible fixed asset additions during the year, with the principal items of expenditure being replacement machinery relating to the boilers and assets to improve combustion stability. The Company has a long term investment plan to maintain and improve operational performance and it continues to seek opportunities to ensure that future capacity remains filled and to provide financial stability.

Streamlined energy and carbon reporting framework regulations

The Company is subject to the Streamlined Energy and Carbon Reporting Regulations (SECR) and therefore reports energy consumption and greenhouse gas (CHG) emissions figures relating to gas, electricity and transport, as well as an intensity ratio and information relating to energy efficiency actions.

Following the recommendations of the SECR legislation and based on the nature of the business, the Company has chosen the tonne of carbon dioxide equivalent (tCO₂e) per employee intensity ratio as the best representation of its efficiency performance.

Energy Consumption

	2026	2025
Total energy consumption used to calculate GHG emissions (kWh)	852,135,091	979,735,059

Strategic report (continued)

Streamlined energy and carbon reporting framework regulations (continued)

	2026	2025
Scope 1 (tCO ₂ e) – gas consumption, transport, process emissions	116,135	115,800
Scope 2 (tCO ₂ e) – electricity purchased	307	39
Scope 3 (tCO ₂ e) – business travel – rental cars or employee owned vehicles where the Company is responsible for purchasing the fuel	1	1,418
Total gross GHG emissions (tCO ₂ e)	116,443	117,257
Intensity ratio (tCO ₂ e total gross GHG emissions per employee)	1,688	1,661

Energy Efficiency Actions

The Company has implemented the following energy efficiency actions during the year ended 31 March 2026:

- The new administration building has been completed with modern and more efficient insulation, LED lighting throughout and solar panel installed on the roof.
- An additional six electric vehicle chargers have been installed to support employee transition to electric vehicles.
- A study undertaken to identify improvements to NO_x and NH₃ emissions via modifications to operating methodology.

The total gross GHG emissions and the intensity ratio have increased slightly in the year but remain materially in line with prior year.

Methodology

The Energy and Carbon Reporting has been produced using the following methodology and assumptions:

- GHG reporting framework – GHG Protocol Reporting Standard.
- The operation control approach was taken to determine the organisational boundary and the emissions are reported on a gross calorific value basis using the UK government's conversion factors for 2025 (prior year 2024).
- Location based emissions have been reported for scope 2 electricity.
- A portion of natural gas is exported for use in an energy centre which lies outside the boundary of the organisation. This energy centre provides heat to Engie Ltd for a district heating network. This natural gas is deducted from the purchased gas total.

Emission Factors

- The 2025 (prior year 2024) UK Government Conversion Factors for Company Reporting have been used to calculate the emission figures disclosed. The factors are published at <https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2025>
- Waste combustion factors are based on actual intensity metrics identified by the Company.

Strategic report (continued)

Streamlined energy and carbon reporting framework regulations (continued)

Data

- Activity data used to calculate the GHG emissions have been collected from invoices, meter readings, Continuous Emissions Monitoring Systems (CEMS) and other Company internal systems.

Section 172 (1) statement

Section 172 (1) of the Companies Act 2006 requires directors to take into consideration the interests of key stakeholders in the Company in their decision making. Key stakeholders have been identified as shareholders, employees, customers, suppliers, environmental regulators and the community. Where directors are not directly involved in the processes described below, regular feedback is obtained from and discussions held with the senior management team. There were no matters brought to the attention of the directors through the undertaken engagement which were considered to be of strategic importance, other than those matters referred to in the principal decisions section below.

Shareholders

The Company's shareholders are the principal investors in the business and also its largest customers. The directors attend meetings of the Shareholder Panel at least twice a year. The Shareholder Panel is the Shareholders' principal governance and oversight body for the Company and is constituted of elected members of the various shareholder local authorities. The key focus of these meetings is the operational and financial performance of the Company. The Shareholders are also represented on the Board of Directors which meets quarterly. In addition the executive directors hold regular meetings with senior operational officers of the Shareholders, and regular operational meetings regarding waste disposal are held between the Company's senior managers and operational officers of the Shareholders.

Employees

A highly skilled and motivated work force is essential to the efficient running of the business. There is a structured system of engagement with employees with quarterly consultative committee meetings between the directors and representatives of the various areas of the workforce, separate monthly team briefings are carried out by senior managers along with appropriate training and development. During the year the Company continues to engage with a trade union on pay and conditions on behalf of its members.

Customers

The Company's business is reliant on a small number of customers, most of whom are its local authority shareholders, or contractors of other local authorities. Engagement with Shareholder customers is carried out as described in the Shareholder section above, with regular operational meetings regarding waste disposal held between Company senior managers and all customers.

Suppliers

The Company maintains appropriate arms-length trading relationships with suppliers and is committed to fairness in its dealings with them. Relationships with key suppliers are maintained at Director and senior management level via meetings, collaboration on technical issues and working together to deliver major projects.

Environment

The Company has an environmental permit which is issued by the Environment Agency and this body has responsibility for monitoring the Company's environmental performance. The Company engages with the Environment Agency via its regular compliance visits, and by reporting any environmental issues to it in a timely manner. Consultations with the Environment Agency relating to changes in environmental legislation and regulation are managed by the Environmental Services Association, which the Company is a member of, and which holds discussions with the Environment Agency and relevant government departments.

Strategic report (continued)

Section 172 (1) statement (continued)

Community

The Company's facility is located within a mile of Coventry city centre and maintaining good relations with the local community is important. This is done by communicating with local residents regarding any plant activity which might have an impact on them, providing plant tours to local schools, university and other interest groups, and hosting open days for residents of Coventry.

Principal Decisions

Specific key decisions made by directors acting in the best interests of the Company included:

- Significant capital investment projects were presented to, considered and approved by the Shareholder Panel, as required by the Company Articles of Association;
- Dividends were paid as set out in the Directors' report, providing a return on investment to eligible Shareholders, whilst taking into account the Company's ongoing financial position and the interests of other stakeholders;

Principal risks and uncertainties

The principal risks and uncertainties facing the Company are outlined below:

Commercial Risks

Business continuity - the Company has previously undertaken a comprehensive risk assessment programme and has put in place a business continuity plan, which is kept under review, and which assesses the level of risk that exists and the potential consequences to the Company. The plan ensures that the physical and intellectual assets, as well as the commercial performance of the business, are appropriately safeguarded.

Plant failure – the Company's ability to operate efficiently is dependent on the availability of critical items of plant. The Company has a preventative maintenance programme to reduce the risk of plant failure, but when it does occur there are also emergency procedures and fire protection measures in place to deal with the immediate consequences. The Company carries insurance to mitigate both its property damage and business interruption losses.

Waste prices and availability - the Company's operating performance is impacted by the price and availability of waste. The Company manages this risk by negotiating long term contracts with customers, which take into account the future impact of inflation, and by spreading risk by taking waste from multiple customers. The Company monitors existing and new waste processing facilities to understand supply risk.

Waste quality – the Company's operating performance is affected by the quality of waste that is delivered by customers. Household waste can vary significantly in terms of its content, and consequently in terms of its calorific value and ease of combustion. Environmental factors can also have an impact, with wet waste as a result of rain and snow causing major operational difficulties. The Company has managed this problem by including waste acceptance criteria into contracts with customers, by engaging with customers to improve their systems for managing waste quality and by investing in the plant to improve its ability to burn an increasingly variable waste feedstock. The Company has also reviewed its waste preparation processes to improve waste mixing and minimise changes in fuel composition.

Strategic report (continued)

Principal risks and uncertainties (continued)

Electricity prices - the Company's operating performance is impacted by the price it can obtain for its electrical generation, the market price for which can be very volatile. The Company ordinarily manages this risk by entering into fixed period supply agreements with customers. In the current year a fixed price was agreed with insurers until the end of the business interruption claim with the Company reverting to a wholesale market facing agreement for the remainder of the financial year. Prices remain high as a result of current geopolitical events and the Company continues to review its trading options.

Cost inflation - the Company's operating performance continue to be affected by the impact of inflation and other price pressures on costs. The price of essential consumables have been impacted by recent geopolitical events and have remained high compared to historic levels and engineering parts and labour costs have increased at above inflationary levels. The Company continues to manage this problem by searching the market for the best prices where availability itself is not an issue. The Company has engaged a Procurement Manager to minimise this risk and secure best value. Current geopolitical events and changes in Government policy may also increase operating costs for the Company and the wider industry that is using waste materials for the generation of electricity. Such changes are being monitored by the Company with Government consultation primarily being managed by the Environmental Services Association.

Regulatory Risks

Environmental risk – the Company's operations are tightly controlled by UK and EU environmental regulations, and it operates under a permit issued by the Environment Agency. A new permit variation issued by the Environment Agency, which includes new emission limit values, came into force in December 2023. Failure to comply with the conditions of the permit could mean that the Company would have to shut down its process. To mitigate this risk the Company has personnel and systems in place to monitor its performance against the conditions of its permit. To aid the quality of its environmental performance the Company has an environmental management system which is externally audited and certified to the internationally recognised ISO14001 standard.

Health and safety risk - due to the nature of the processes it operates the Company has a significant level of health and safety risk. To mitigate this risk it employs an environment, health and safety advisor whose role is to monitor and improve performance and to promote health and safety awareness through training and the distribution of information. The Company's health and safety management system is externally audited and certified to the ISO45001 standard.

Financial Risks

Liquidity risk – the Company manages its liquidity risk by managing its cash flow requirements. Forecasts of operating performance are regularly updated, and the cash flow forecast derived from this process is used to determine the quantum and the timing of significant non trading cash flows such as capital expenditure and returns to shareholders. In addition the Company maintains a short term funding facility with its bank.

Foreign exchange risk – the Company trades predominantly in Sterling. Where it does have significant exposure to material future cash flows in overseas currencies, typically in relation to capital projects, then it will consider hedging this risk using forward currency contracts.

On behalf of the Board

D Truelove
Director

Date:

Directors' report

The directors present the report for The Coventry and Solihull Waste Disposal Company Limited (Registered Number: 2690488) for the year ended 31 March 2026.

Results and dividends

The profit for the year after taxation amounted to £14,056,000 (2025: £16,556,000). The directors have declared an interim dividend of £13,750,000 in respect of the ordinary shares for the year ended 31 March 2026 (2025: £14,295,000) of which £478,000 (2025: nil) remained unpaid at the year-end.

Environment, health and safety

The Company recognises the importance of its environmental responsibilities and of complying with the Industrial Emissions Directive and the conditions of its Environmental Permit. The Company monitors its impact on the environment through an accredited Environmental Management System, with emissions to land, water and atmosphere under constant surveillance. The directors can report that in the year under review, there were no significant environmental impacts.

Future developments

The Company intends, based on its long term contracts, to continue the thermal treatment of waste and the generation of electricity. The Company will continue to seek ways of maximising its revenues.

Going concern

The Company's business activities, its financial position, its financial risk management objectives, and its exposures to liquidity and cash flow risk are described in the Strategic report. The Company has service level agreements with the shareholders until at least 2038 which, subject to break clauses, guarantee either a specified minimum annual tonnage or that all suitable shareholder waste will be processed by the Company.

The directors have considered in detail the Company's financial forecast over the period until the end of March 2028 and this shows that the Company is forecast to make profits, be cash generative and hold a significant cash balance at the end of that period. In the event of any unforeseen event or unexpected downturn in performance the company has significant discretionary cash flows which could be reduced or curtailed which would enable the business to continue to meet its liabilities as they fall due.

On the basis of their assessment of the Company's financial position the Company's directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Directors' report (continued)

Directors

The directors who served the Company during the year were as follows:

K Starkey	
D Truelove	
R Gray	(Non-executive)
B Hastie	(Non-executive)
A Felton	(Non-executive)

Equal opportunities

The Company recognises that discrimination in the workplace in any form is unacceptable and, in most cases, unlawful. It is our policy to ensure that all job applicants and employees are treated fairly and without favour or prejudice. We are committed to applying this policy throughout all areas of employment, recruitment and selection, training, development and promotion. In all situations people will be judged solely on merit and ability.

Employee involvement

The Company endeavours to keep employees informed on matters relevant to them as employees primarily through regular meetings of the Consultative Committee and team briefings.

Financial instruments

As permitted by the Companies Act, certain items required to be included in the Directors' report have been included in the Strategic report.

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the Company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

Resolutions have been passed to dispense with the need for Annual General Meetings, the laying of financial statements and the annual appointment of auditors. Ernst & Young LLP will continue to be auditors until further notice.

On behalf of the Board

D Truelove
Director
Date:

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in FRS 102 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the group and company financial position and financial performance;
- state whether applicable UK Accounting Standards in conformity with the requirements of the Companies Act 2006 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Under applicable law and regulations, the directors are also responsible for preparing a Strategic report and Directors' report that comply with that law and those regulations. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

Independent auditors' report

to the members of The Coventry and Solihull Waste Disposal Company Limited

Opinion

We have audited the financial statements of The Coventry and Solihull Waste Disposal Company Limited ('the company') for the year ended 31 March 2026 which comprise the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Financial Position and the Statement of Cash Flows and the related notes 1 to 21, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 March 2026 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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.

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 the period until the end of March 2028.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Independent auditors' report (continued)

to the members of The Coventry and Solihull Waste Disposal Company Limited

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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the statement of directors' responsibilities set out on page 9, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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.

Auditor's responsibilities for the audit of the financial statements

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

Independent auditors' report (continued)

to the members of The Coventry and Solihull Waste Disposal Company Limited

reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. 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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 102 and the Companies Act 2006) and compliance with the relevant direct and indirect tax regulation in the United Kingdom. In addition, the company has to comply with operational and employment laws and regulations including those relating to environmental, health & safety regulations and GDPR.
- We understood how the company is complying with those frameworks by making enquiries of management and those charged with governance to understand how the company maintains and communicates its policies and procedures in these areas. We understood any entity level controls put in place by management to reduce the opportunities for fraudulent transactions.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur through internal team conversations, enquiries of management and those charged with governance. Through these procedures we determined there to be a risk of management override in relation to the posting of non-standard journals to revenue. We agreed all revenue from the shareholders to third party confirmations, agreed electricity income to third party invoices and private wire to invoice and payment. On the remaining revenue balance, in addition to agreeing a sample to source documentation, we investigated any transactions which did not meet our expectations based on specific criteria to gain an understanding and agreed to source documentation.
- Based on our understanding we designed our audit procedures to identify non-compliance with these laws and regulations and to respond to the assessed risks. Our procedures included obtaining and reviewing board minutes, enquires of management and those charged with governance, and agreement of samples of transactions throughout the audit to supporting source documentation.

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

Use of our report

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

Lorna McNeil (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

Birmingham

Date:

Income statement

for the year ended 31 March 2026

	Notes	2026 £'000	2025 £'000
Turnover	2	40,271	34,481
Cost of sales		(16,970)	(15,495)
Gross profit		23,301	18,986
Distribution costs			(31)
Administrative expenses		(8,074)	(6,498)
Other operating income		2,281	9,532
Operating Profit	3	17,508	21,989
Interest receivable	6	764	628
Interest payable	6	-	(161)
Other finance income/(costs)	7	-	12
Profit before taxation		18,272	22,468
Tax	8	(4,216)	(5,912)
Profit for the financial year		14,056	16,556

All results relate to continuing activities in both the current and prior year.

Statement of comprehensive income

for the year ended 31 March 2026

	Note	2026 £'000	2025 £'000
Profit for the financial year		14,056	16,556
Actuarial loss on pension scheme	17	-	(256)
Deferred tax relating to actuarial loss on pension scheme	8(b)	-	339
Total comprehensive income for the year		14,056	16,639

Statement of changes in equity

for the year ended 31 March 2026

	<i>Called Up share capital</i>	<i>Profit and loss account</i>	<i>Total share- holders' funds</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
At 1 April 2024	1,010	27,731	28,741
Profit for the year	-	16,556	16,556
Actuarial gain on pension scheme	-	(256)	(256)
Deferred tax on actuarial gain	-	339	339
Dividends paid to shareholders (note 16)	-	(14,295)	(14,295)
At 1 April 2025	1,010	30,075	31,085
Profit for the year	-	14,056	14,056
Dividends paid to shareholders (note 16)	-	(13,750)	(13,750)
At 31 March 2026	1,010	30,381	31,391

Statement of financial position

at 31 March 2026

	Notes	2026 £'000	2025 £'000
Fixed assets			
Intangible assets	9	-	-
Tangible assets	10	26,036	26,176
		<u>26,036</u>	<u>26,176</u>
Stocks	11	135	125
Debtors	12	7,559	8,373
Cash and cash equivalents		18,540	18,015
		<u>26,234</u>	<u>26,513</u>
Creditors: amounts falling due within one year	13	(15,889)	(16,953)
Net current assets		<u>10,345</u>	<u>9,560</u>
Total assets less current liabilities		<u>36,381</u>	<u>35,736</u>
Creditors amounts falling due after more than one year	14	(156)	-
Provision for liabilities	8(e)	(4,833)	(4,651)
		<u>31,391</u>	<u>31,085</u>
Net assets		<u>31,391</u>	<u>31,085</u>
Capital and reserves			
Called up share capital	15	1,010	1,010
Profit and loss account		30,381	30,075
		<u>31,391</u>	<u>31,085</u>
Shareholders' funds		<u>31,391</u>	<u>31,085</u>

Approved on behalf of the board by

K Starkey

Director

Date:

Statement of cash flows

for the year ended 31 March 2026

	<i>Note</i>	<i>2026</i> <i>£'000</i>	<i>2025</i> <i>£'000</i>
<i>Net cash inflow from operating activities</i>	17(a)	13,533	14,035
<i>Investing activities</i>			
Interest received		585	633
Interest paid		-	(161)
Payments to acquire intangible fixed assets		-	-
Payments to acquire tangible fixed assets		(4,346)	(6,638)
Receipts from insurers in respect of material damage claim		2,703	1,350
Net cash outflow from investing activities		(1,058)	(4,816)
<i>Financing</i>			
Dividends paid to shareholders	16	(11,950)	(12,813)
Net cash outflow from financing activities		(11,950)	(12,813)
Increase / (Decrease) in cash and cash equivalents		525	(3,594)
Cash and cash equivalents at 1 April		18,015	21,609
Cash and cash equivalents at 31 March		18,540	18,015

Notes to the financial statements

at 31 March 2026

1. Accounting policies

Basis of preparation

The financial statements of The Coventry and Solihull Waste Disposal Company Limited were approved for issue by the directors on 13 July 2026. The financial statements have been prepared in accordance with the historical cost convention in accordance with the Companies Act 2006. The financial statements are prepared in sterling which is the functional currency of the Company and rounded to the nearest £'000.

Statement of compliance

The Coventry and Solihull Waste Disposal Company Limited is a limited liability Company incorporated in England. The Registered Office is Bar Lane, Coventry CV3 4AN. The Company's financial statements have been prepared in compliance with FRS 102 as it applies to the financial statements of the Company for the year ended 31 March 2026.

Going concern

The Company has service level agreements with the shareholders until at least 2038 which, subject to break clauses, guarantee either a specified minimum annual tonnage or that all suitable shareholder waste will be processed by the Company. The directors have considered in detail the Company's financial forecast over the period until the end of March 2028 and this shows that the Company is forecast to make profits, be cash generative and hold a significant cash balance at the end of that period. In the event of any unforeseen event or unexpected down-turn in performance the company has significant discretionary cash flows which could be reduced or curtailed which would enable the business to continue to meet its liabilities as they fall due. On the basis of their assessment of the Company's financial position the Company's directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. The Company has also engaged a property advisor to represent its interests in the five yearly rent review under its site lease agreement and has used advice from this advisor to inform estimates at the balance sheet date.

Notes to the financial statements

at 31 March 2026

1. Accounting policies (continued)

Significant accounting policies

Tangible fixed assets

Tangible assets are stated at cost less accumulated depreciation and accumulated impairment losses. Such costs include costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition of each asset evenly over its expected useful life, as follows:

Leasehold land and buildings	-	Life of asset to a maximum of 20 years
Plant and equipment	-	Life of the asset to a maximum of 25 years
Fixtures and fittings	-	3 years

Assets in the course of construction are not depreciated until they are completed and enter service within the business. The carrying value of tangible fixed assets is reviewed for impairment in periods if events or changes in the circumstances indicate the carrying value may not be appropriate.

Revenue recognition

Revenue is recognised to the extent that the Company obtains the right to consideration in exchange for its performance and services. Revenue is measured at fair value of the consideration received, excluding discounts, rebates, VAT and other sales tax duty. Revenue arising from waste disposal activities is recognised on receipt of the waste. Revenue from electricity generation is recognised at the point of generation. Revenue arising from all other sources is recognised either when the service is rendered or when goods are despatched.

Stocks

Stocks are stated at the lower of purchase cost and net realisable value.

Cash and short term deposits/current asset investments

Cash and cash equivalents in the statement of financial position consists of cash balances and short term deposits with an original maturity date of three months or less. Short term deposits with a maturity of over three months are separately disclosed as current asset investments.

Financial instruments

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

Basic financial assets

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

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

Notes to the financial statements

at 31 March 2026

1. Accounting policies (continued)

Basic financial liabilities

Basic financial liabilities, including creditors, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the liability is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Corporation tax

Corporation tax is recognised for the amount payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the following exception:

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Government levies

Companies that undertake electricity generation in the UK and are connected to either the national grid or local distribution networks are subject to the Government's Electricity Generator Levy ("EGL"). The EGL, which is calculated on an annual basis is as a temporary 45% charge on exceptional receipts from production of eligible wholesale electricity between 1 January 2023 and 31 March 2028.

The Company did not meet the EGL threshold in the current year and is not therefore subject to the levy. Any sums due under EGL would be included within cost of sales in the Income Statement.

Pensions

The Company operates a defined contribution scheme in the year. The Company had previously operated a defined benefit scheme which it ceased and exited in the prior year.

For the defined benefit scheme, up to the cessation and exit event, the service cost of providing retirement benefits to employees was charged to the operating profit or loss in the year. The full cost of providing amendments to benefits in respect of past service and gains and losses arising on unanticipated settlements or curtailments were also charged to the operating profit or loss in the year. The net interest element was determined by multiplying the net defined benefit liability by the discount rate, at the start of the period taking into account any changes in the net defined benefit liability up to the cessation date due to contribution and benefit payments. The net interest was recognised in the profit or loss as other finance revenue or cost.

For the defined contribution scheme, the amount charged to the profit and loss account in respect of pension costs is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown either as accruals or prepayments in the balance sheet.

Notes to the financial statements

at 31 March 2026

1. Accounting policies (continued)

Operating leases

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term. The Periodic Review 2024 amendments have not been adopted for the year ended 31 March 2026.

Dividends

Dividends are recorded as distributed once they are approved and paid or once there is a binding obligation for their payment. Dividends are paid either in cash or by off-setting against trade debts.

2. Turnover

Turnover, which arises wholly within the United Kingdom, is attributable to one continuing activity, the generation of energy using waste materials as the energy source.

3. Operating profit

Turnover, which arises wholly within the United Kingdom, is attributable to one continuing activity, the generation of energy using waste materials as the energy source.

This is stated after charging/(crediting):

	2026 £'000	2025 £'000
Auditors' remuneration - audit services	44	45
- non-audit services - taxation	43	15
	<u>87</u>	<u>60</u>
Depreciation	4,293	3,823
Operating lease rentals - land and buildings	86	86
- plant and machinery	45	44
- vehicles	35	-
Electricity generator levy	(1,554)	(153)
Insurance in respect of material damage claim	(984)	(2,382)
Other operating income - insurance in respect of business interruption claim	(2,281)	(9,532)
	<u></u>	<u></u>

All insurance amounts are shown net of expected deductibles.

Notes to the financial statements

at 31 March 2026

4. Directors' emoluments

	2026 £'000	2025 £'000
Emoluments	327	325
Pension contributions to money purchase schemes	114	139
Members of money purchase pension schemes	No.	No.
In respect of the highest paid director:		
Emoluments	£	£
Pension contributions to money purchase schemes	60	65

Included in total emoluments are fees of £45,000 (2025: £44,000) which are paid directly to the holders of the 'A' ordinary shares and 'B' ordinary shares for services performed, rather than to the directors themselves.

Notes to the financial statements

at 31 March 2026

5. Staff costs

	2026 £'000	2025 £'000
Wages and salaries	3,810	3,710
Social security costs	494	394
Other pension costs	1,065	1,096
	<u>5,369</u>	<u>5,200</u>

Included in other pension costs are no contributions (2025: £4,000) in respect of the defined benefit scheme, and £1,065,000 (2025: £1,092,000) in respect of the defined contribution schemes.

The average monthly number of employees during the year amounted to 69 (2025: 71). This excludes three non-executive directors.

6. Interest received / paid

	2026 £'000	2025 £'000
Bank interest received	585	628
Interest on overpaid tax	179	-
	<u>764</u>	<u>628</u>

	2026 £'000	2025 £'000
Late tax payment interest paid	-	(161)
	<u>-</u>	<u>(161)</u>

7. Other finance costs

	2026 £'000	2025 £'000
Net interest income on pension scheme assets and liabilities	-	12

Notes to the financial statements

at 31 March 2026

8. Tax

(a) Tax on profit

The tax charge is made up as follows:

	2026 £'000	2025 £'000
<i>Current tax:</i>		
UK corporation tax on the profits for the year	4,037	4,797
Adjustments in respect of previous periods	(3)	(27)
Total current tax	4,034	4,770
<i>Deferred tax:</i>		
Origination and reversal of timing differences	190	1,115
Adjustment in respect of previous periods	(8)	27
Total deferred tax	182	1,142
Tax on profit (note 8(c))	4,216	5,912

(b) Tax included in statement of other comprehensive income

Deferred tax current year charge	-	(339)
	-	(339)

(c) Factors affecting tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 25% (2025: 25%). The differences are explained below:

	2026 £'000	2025 £'000
Profit before taxation	18,272	22,468
Profit multiplied by standard rate of corporation tax in the UK of 25% (2025: 25%)	4,568	5,617
<i>Effects of:</i>		
Expenses not deductible	48	58
Exit from pension scheme		275
Adjustments from previous periods	(11)	-
Income not taxable	(389)	(38)
Total tax on profit for the year (note 8(a))	4,216	5,912

Notes to the financial statements

at 31 March 2026

8. Tax (continued)

(d) Factors that may affect future tax charges

The main rate of corporation tax for the year was 25% (2025: 25%).

(e) Deferred tax

	2026 £'000	2025 £'000
Capital allowances in advance of depreciation	(4,867)	(4,658)
Other timing differences	34	7
Provision for deferred taxation	<u>(4,833)</u>	<u>(4,651)</u>
		£'000
Provision for deferred taxation at 1 April 2025		(4,651)
Adjustment in respect of prior years		8
Deferred tax charge to income statement for the period		<u>(190)</u>
Provision for deferred taxation at 31 March 2026		<u><u>(4,833)</u></u>

Notes to the financial statements

at 31 March 2026

9. Intangible fixed assets

	<i>Licence Costs £'000</i>	<i>Software Costs £'000</i>	<i>Total £'000</i>
Cost:			
At 1 April 2025	28	118	146
Disposals	-	-	-
At 31 March 2026	28	118	146
Amortisation:			
At 1 April 2025	28	118	146
Provided during the year	-	-	-
Disposals	-	-	-
At 31 March 2026	28	118	146
Net book value:			
At 31 March 2026	-	-	-
At 31 March 2025	-	-	-

Notes to the financial statements

at 31 March 2026

10. Tangible fixed assets

	<i>Land and Buildings £'000</i>	<i>Plant and Machinery £'000</i>	<i>Fixtures and Fittings £'000</i>	<i>Total £'000</i>
Cost:				
At 1 April 2025	11,172	74,016	1,100	86,288
Additions	648	3,358	147	4,153
Disposals	(23)	(657)	(155)	(835)
At 31 March 2026	11,797	76,717	1,092	89,606
Depreciation:				
At 1 April 2025	7,044	52,216	852	60,112
Provided during the year	446	3,731	116	4,293
Disposals	(23)	(657)	(155)	(835)
At 31 March 2026	7,467	55,290	813	63,570
Net book value:				
At 31 March 2026	4,330	21,427	279	26,036
At 31 March 2025	4,128	21,800	248	26,176

Tangible fixed assets include £626,000 of assets under construction (2025: £2,850,000). £113,000 is included in land and buildings, £472,000 in plant and machinery and £42,000 in fixtures and fittings.

The net book value of land and buildings comprises:

	<i>2026 £'000</i>	<i>2025 £'000</i>
Long leasehold	4,330	4,128

11. Stocks

	<i>2026 £'000</i>	<i>2025 £'000</i>
Raw materials	135	125

Notes to the financial statements

at 31 March 2026

12. Debtors

	2026 £'000	2025 £'000
Trade debtors	5,367	4,317
Accrued insurance income	-	3,642
Prepayment and other accrued income	237	261
Other debtors	1,955	153
	<u>7,559</u>	<u>8,373</u>

13. Creditors: amounts falling due within one year

	2026 £'000	2025 £'000
Trade creditors	1,342	1,532
Proposed dividend	478	-
Corporation tax	2,307	2,461
Other taxation and social security	2,696	2,223
Accruals and deferred income	9,067	10,737
	<u>15,889</u>	<u>16,953</u>

14. Creditors: amounts falling due after more than one year

	2026 £'000	2025 £'000
Other creditors	156	-
	<u>156</u>	<u>-</u>

Other creditors greater than one year relate to bonuses payable to the Directors which have been deferred until 2030. Interest is payable at the prevailing deposit rate obtained by the Company.

15. Issued share capital

	No.	2026 £	No.	2025 £
<i>Allotted, called up and fully paid</i>				
'A' Ordinary shares of £1 each	660,000	660,000	660,000	660,000
'B' Ordinary shares of £1 each	330,000	330,000	330,000	330,000
'C' Ordinary shares of £1 each	20,000	20,000	20,000	20,000
		<u>1,010,000</u>		<u>1,010,000</u>

Notes to the financial statements

at 31 March 2026

15. Issued share capital (continued)

The 'A', 'B' and 'C' Ordinary shares rank pari passu except in respect of the following:

Income

Distributable profits may be distributed to the holders of the 'A' ordinary shares and 'B' ordinary shares according to the amounts paid up. No distributions will be made to the holders of the 'C' ordinary shares.

Capital

On a return of capital on liquidation or otherwise, any balance of the assets of the Company remaining after payment of its debts, liabilities and costs of liquidation shall be distributed to the holders of the 'A' ordinary shares and 'B' ordinary shares according to the amounts paid up. No balance shall be distributed to the holders of the 'C' ordinary shares.

16. Dividends

	2026	2025
	£'000	£'000
Interim dividend in specie for year settled via trade debts during the year	1,322	1,845
Interim dividend accrued	478	-
Interim dividend for year settled by cash	11,950	12,450
	13,750	14,295

Notes to the financial statements

at 31 March 2026

17. Notes to the statement of cash flows

(a) Reconciliation of profit before taxation to net cash inflow from operating activities

	2026	2025
	£'000	£'000
Profit before taxation	18,272	22,468
<i>Adjustments to reconcile profit for the year to net cash from operating activities</i>		
Insurance in respect of material damage claim	(984)	(2,382)
Interest receivable	(764)	(628)
Interest payable		161
Other finance (income)/costs		(12)
Depreciation	4,293	3,823
Receipt from pension scheme	-	524
<i>Working capital movements</i>		
Increase in debtors	(2,049)	(3,818)
(Increase) / Decrease in stock	(10)	2
(Decrease) in creditors	(1,037)	(213)
<i>Taxation</i>		
Corporation tax paid	(4,188)	(5,890)
Net cash inflow from operating activities	13,533	14,035

(b) Cash and cash equivalents

	At 31 March 2026	At 31 March 2025
	£'000	£'000
Cash at bank and in hand	790	1,085
Short term deposits	17,750	16,930
Cash and cash equivalents	18,540	18,015

No net debt disclosure is given as the Company only has cash and cash equivalents and this is covered by the cashflow.

(c) Major non-cash transactions

See note 16 for details of the dividend in specie for the year ended 31 March 2026.

Notes to the financial statements

at 31 March 2026

18. Pension commitments

The Company operates a defined contribution scheme, and all employees are members of this scheme. The Company also operated a defined benefits scheme, but this scheme ended on 31 July 2024 when the last employee left the Company, triggering a cessation of the scheme on this same date.

Defined Contribution Scheme

Contributions made to the defined contribution scheme amounted to £1,065,000 (2025: £1,092,000) for the year and are charged to the profit and loss account as incurred.

Defined Benefit Scheme

Retirement benefits for employees in the defined benefit scheme were funded by contributions from the Company and employees. Payments were made to the West Midlands Pension Fund.

The retirement of the last active member of the scheme at the end of July 2024 triggered an exit event, resulting in the company leaving the West Midlands Pension Fund on 31 July 2024. Hymans Robertson undertook an exit valuation of the Company's share of assets / liabilities in accordance with the scheme rules. This valuation resulted in a pension credit of £524,000, which was settled in cash from the West Midlands Pension Fund prior to 31 March 2025.

The amounts recognised in the Income Statement and in the Statement of Comprehensive Income for the year are analysed as follows:

Recognised in the Income Statement:

	2026 £000	2025 £000
Current service cost	-	(4)
Recognised in arriving at operating profit	-	(4)
Net interest on pension scheme assets and liabilities	-	12
Recognised in other finance cost	-	12
Total recognised in the Income Statement	-	8

Analysis of amount recognised in the Statement of Comprehensive Income (SOCI):

	2026 £000	2025 £000
Return on fund assets in excess of interest	-	11
Change in financial assumptions	-	-
Change in demographic assumptions	-	-
Experience loss on defined benefit obligation	-	(267)
Actuarial gain recognised in the SOCI	-	(256)

Notes to the financial statements

at 31 March 2026

18. Pension commitments (continued)

Changes in the present value of the defined benefit obligations are analysed as follows:

	2026 £'000	2025 £'000
At 1 April	-	(6,934)
Current service cost	-	(4)
Interest cost	-	(107)
Change in financial assumptions	-	-
Change in demographic assumptions	-	-
Experience gain on defined benefit obligation	-	(203)
Member contributions	-	(1)
Benefits/transfers paid	-	165
Effect of Settlements	-	7,084
At 31 March	-	-

Changes in the fair value of the plan assets are analysed as follows:

	2026 £'000	2025 £'000
At 1 April	-	7,702
Interest on plan assets	-	119
Employer contributions	-	4
Benefits/transfers paid	-	(165)
Returns on assets less interest	-	11
Experience gain on defined benefit obligation	-	(64)
Member contributions	-	1
Effect of Settlements	-	(7,608)
At 31 March	-	-

19. Capital commitments

At 31 March 2026 authorised future capital commitments contracted but not provided for amounted to £696,000 (2025: £895,000).

Notes to the financial statements

at 31 March 2026

20. Other financial commitments

At 31 March 2026 the Company had future minimum rentals under non-cancellable operating leases as set out below:

	2026		2025	
	<i>Land and buildings</i>	<i>Other</i>	<i>Land and buildings</i>	<i>Other</i>
	£'000	£'000	£'000	£'000
Within one year	86	155	86	45
In two to five years	345	173	345	65
Over five years	5,351	-	5,437	-
	5,782	328	5,868	110

Land and buildings commitments are calculated based on the latest agreed site rent, with an on-going negotiation on renewal terms.

21. Related party transactions

Coventry City Council, Solihull Metropolitan Borough Council, Warwickshire County Council and Leicestershire County Council are, as shareholders in the Company, considered related parties as defined by FRS 102.33. However, Coventry City Council and Solihull Metropolitan Borough Council as local government bodies have joint control over the Company, and the Company is therefore exempt from having to disclose related party transaction with these shareholders. Related party transaction with Warwickshire County Council and Leicestershire County Council are as follows:

Under contracts negotiated with Warwickshire County Council and Leicestershire County Council, the Company received income for the processing of household waste amounting to £7,636,000 and £6,815,000 respectively (2025: £7,210,000 and £6,764,000 respectively). The net amounts receivable from Warwickshire County Council and Leicestershire County Council at the year-end were £1,016,000 and £914,000 respectively (2025: £941,000 and £1,049,000 respectively).