Hills Waste Solutions Limited

Annual report and financial statements

Registered number 00571289

30 April 2025

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Strategic report

Principal activities

The company's principal activities are the provision of waste management services to both the private and public sector. The company manages five municipal waste contracts on behalf of Wiltshire Council including treatment of non-recyclable household waste at the Northacre Resource Recovery Centre (which diverts waste from landfill and creates a fuel that can be used to generate energy in power plants), two Household Recycling Centres (HRC's), a mixed recycling sorting facility at Sands Farm, Calne, and a residual landfill contract. The company also operates a commercial waste collection fleet, facilities for the sorting and segregation of commercial waste and two landfill sites.

Financial review

There was a profit for the year, after taxation, of £1,673,000 *(2024: profit of £1,292,000)*.

Turnover increased in the year by 10% to £64,285,000 *(2024: £58,207,000)*. Gross profit margin declined in the year to 16% *(2024: 20%)*.

The company paid a dividend to The Hills Group Limited, its parent company during the year of £1,250,000 (*2024: £1,500,000*) so that the company's shareholders' funds at 30 April 2025 of £22,561,000 are £423,000 above the previous year.

Business review

Wiltshire Council Contracts

The contract to divert residual municipal waste from landfill for treatment at the company's Northacre Resource Recovery Centre (NRRC) remains profitable. The bio filter medium in the NRRC was replaced earlier than previously anticipated in the financial year to maintain the efficiency of the plant and its emission levels in accordance with the site odour management plan and environmental permit.

The contracts for bulking and delivering municipal waste to the Lakeside EFW facility, garden waste composting and residual waste to landfill continued to see consistent profit performance.

The recycling contract incorporating Sands Farm MRF has persistent difficulty with the quality of collected material inputs, resulting in high residual disposal costs. Additionally, plant downtime has reduced running efficiency and increased plant maintenance costs. Reduced revenue from the sale of recyclate has also had a detrimental effect on profitability. The contract can be extended for a second 8 year period beyond July 2026 on the submission of a revised and agreed financial model to Wiltshire Council. The model is currently with the Council and negotiations are underway.

The recycling, garden waste composting, and residual waste to landfill contracts all come to the end of their initial term in July 2026. The company has submitted revised financial models in support of contract extensions for a further 8 years. The remaining contracts run beyond July 2026, with Lakeside running to 2033 and NRRC to 2038.

Waste Disposal

The Landfill business continues to adapt to a continually changing business environment and remains profitable. There is an ongoing demand for hazardous and non hazardous landfill capacity at reduced volumes, but with consistent revenues.

Waste Collection

The commercial waste collection business has seen a few years of steady profit growth. However, whilst 2025 saw continued growth in lift numbers, the transition to nationally consistent collection services under the simpler recycling legislation led to increased costs and reduced collection margins. The company intends to further develop this business both in support of the proposed waste to energy project with Northacre Renewable Energy Ltd, and to improve profitability more generally.

Strategic report *(continued)*

Waste to Energy

The Waste to Energy project owned and managed by Northacre Renewable Energy Ltd (NRE), the special purpose venture in which Hills UK, the company's ultimate parent company, holds a minority interest via the subsidiary company Hills NRE Limited, has been evolving following the planning approval in spring 2023. In the 2025 financial year a new majority shareholder has taken ownership of the project and the company has received reimbursement of a significant percentage of its development costs as part of the change of ownership. We continue to work with the new majority shareholder in NRE on delivering the project and anticipate being in a position to give a positive update on progress in next year's report.

Summary

The company overall has experienced a disappointing year with underlying profits lower than budgeted. Pre-tax profits were boosted by £1,319,000 in respect of a non-cash change in the discount rate used in the calculation of the site restoration and aftercare provision. We are expecting underlying profits in the 2025/26 year to be ahead of 2024/25 with net profit at a comparable level.

Future developments and research and development

The company continues to research the application of alternative technologies in its operations to divert waste from landfill and to generate energy. Expenditure on research and development of future business opportunities in the year, including payroll costs of relevant staff, amounted to £65,000 *(2024: £3,000)*. This expenditure was in relation to the energy from waste project mentioned above.

Risk management

The company's principal financial instruments comprise cash, bank borrowings, and capital financing, the main purpose of which is to provide finance for its normal operations. The main risks arising from its financial instruments are interest rates risk and liquidity risk. In addition, the company has an exposure to exchange rate fluctuations due to the current purchase of RDF disposal services and some equipment in Euros.

The company is exposed to other risks and uncertainties including those associated with the impact of its operations on the environment, and Government environmental policy and regulations. The directors monitor and take actions to mitigate these risks and minimise their impact.

One of the principal areas of risk and uncertainty facing the company is the increasingly challenging environment for securing new planning consents.

The company also recognises the increasing exposure to cyber-attacks as our management systems and customer interface moves onto online and electronic platforms. The group holds Cyberessential+ accreditation and has appointed specialist advisors to help manage this risk and enhance data security.

The rate of inflation presents a risk to the financial performance of the company. The amount we charge to our customers may not necessarily increase in line with the increase in costs we experience to provide these services. The contracts with Wiltshire County Council do provide for inflationary increases which are capped at either the Retail Price Index or the Consumer Price Index depending on the contract but for general commercial customers our prices are subject to market fluctuations.

There are current concerns around Government deficit levels and the possibility of either increased taxes or reduced spending. This could have a negative effect on UK industrial activity. Commercial waste activity would be impacted by a downturn in industrial and commercial activity, but the municipal contracts should be protected from this.

Environment and Quality Assurance and Corporate Social Responsibility
The company is committed to continual improvement and sets responsible targets for its operations in areas including environmental impact, service quality and health and safety.

As part of The Hills Group, the company is looking at ways to reduce the carbon footprint of its activities and benefit from transitioning to green technologies. The group's environmental policy is available from the company's website at www.hills-group.co.uk. The company's environmental management system is externally certified to international standard ISO 14001. The group is developing a strategy to meet the Government's target of a zero-carbon emissions economy by 2050 and will be setting our own targets and goals.

The company operates a quality management system that is externally certified to international standard ISO 9001.

Strategic report *(continued)*

Streamlined Energy and Carbon Reporting (SECR)

The company has opted to include its SECR reporting disclosures in the independently produced report published in the consolidated accounts of its ultimate parent company Hills UK Limited. These accounts can be obtained from the contact details given in note 25.

Employee involvement

The company continues to keep its employees informed on matters affecting them as employees by way of its InTouch magazine and Safer for All magazine and regular newsletter. Staff notices, emails, company website and meetings are used to communicate immediate issues with employees. The company participates in the group's employee engagement programme "Move to improve" that actively seeks and rewards employees for submitting business improvement ideas for consideration by senior management.

The company looks to include its employees in the development and application of health and safety policy and has an employee health and safety committee made up of appointed volunteers representing work colleagues that meets at regular intervals. In addition, the company runs a near miss reporting scheme to allow employees to report in a quick and dynamic manner health and safety and environmental concerns to managers and supervisors. The company's Health and Safety Management System has been certified to ISO 45001.

During the year the company has continued to raise awareness of mental health issues and promote employee access to support services offered under employee assistance programmes.

As part of the group's employment practices and policies the company ensures that job applicants and all employees are treated in an equal and fair manner. Alongside publishing mandatory gender pay details the company publishes group wide gender pay details to help improve transparency. Wherever possible, efforts are made to provide appropriate facilities and conditions of service to meet the work-place requirements of all employees' including those with protected characteristics or disability. Where an employee becomes disabled whilst employed by the company, arrangements are made, wherever possible, to retrain them to enable them to perform a job identified as appropriate to their aptitude and abilities.

The company provides all employees with access to an independent whistle-blower reporting service to anonymously report serious issues and concerns to allow them to be investigated.

The company has implemented an online training platform named Learning For All that it is being rolled out to all employees alongside existing training programmes. Learning For All will provide competence and skills training for employees and the opportunity to benefit from continued development across all areas of our business.

Section 172(1) Statement

Section 172 of the Companies Act 2006 requires a director of a company to act in the way he or she considers, in good faith, would most likely promote the success of the company for the benefit of its members as a whole. In doing this, section 172 requires a director to have regard, amongst other matters, to the:
a) likely consequences of any decisions in the long-term;
b) interests of the company's employees;
c) need to foster the company's business relationships with suppliers, customers and others;
d) impact of the company's operations on the community and environment;
e) desirability of the company maintaining a reputation for high standards of business conduct; and
f) need to act fairly as between members of the company.

In discharging its section 172 duties the company has regard to the factors set out above. In doing so the company has regard to directives and policies set by The Hills Group Board and delegates authority for day-to-day management to line management and designated sub-committees that hold operational responsibility for engaging in setting, approving and overseeing the execution of the business strategy and related policies. The Chairman, Chief Executive, and Finance Director of the company are also members of The Hills Group board and Finance Committee and evaluate and report on the operational performance of the company to the group board.

The company also has regard to other factors which it considers relevant to the decision making process including engagement with regulatory authorities and involvement in industry trade bodies of which it is a member.

Strategic report *(continued)*

Section 172(1) Statement *(continued)*

The company has established core values and a supporting policy framework developed by The Hills Group board. In the decision-making process to deliver its strategic priorities the executives are guided by the policy framework with the aim of ensuring that the decisions taken are consistent and adhere with the company and group core values.

Risk and compliance, legal, pensions, stakeholder-related matters, diversity and inclusivity, corporate responsibility matters, health and safety matters and environmental compliance are reviewed at management meetings, and meetings of group designated sub-committees.

The company reviews financial and operational performance and other matters as they arise over the course of the financial year. This is done through review at management meetings and presentations to the group board. Reports for consideration and discussion, as required, are sent to management and directors in advance of meetings.

Stakeholder engagement is primarily undertaken at an operational level and is a priority for the company due to the impact our business activities can have on neighbouring local communities and the surrounding environment. An important part of our stakeholder engagement programme are the regular liaison meetings held at our sites attended by senior management with representatives of the local community and other invited stakeholders to discuss and feedback on our operations.

The interests and views of the company's key stakeholders alongside other relevant factors are considered when making decisions. This information is published and presented in a variety of formats for use within the company but also in public facing documents. As a result of this the company's management have an understanding of the nature of the stakeholders' concerns whilst discharging their responsibilities in compliance with the section 172 duty and promoting the success of the company.

During the financial year the company has had regard to the matters set out in section 172(1)(a)-(f) when deciding on the company's dividend payment. In making this decision the Board considers a range of factors, included the long-term viability of the company, expected cash flow and financing requirements, and funding for strategic investment in our business and workforce.

By order of the board

MP Hill
Director

27 November 2025

Wiltshire House
County Park Business Centre
Shrivenham Road
Swindon
Wiltshire
SN1 2NR

Directors' report

The directors present their report and the financial statements of the company for the year ended 30 April 2025.

Dividend

During the year a dividend of £1,250,000 *(2024: £1,500,000)* was paid to The Hills Group Limited, the parent company and only shareholder of the company. The directors do not recommend a final dividend.

Directors

The following individuals served as directors during the year and to the date of signing this report:

AG Pardoe	*(Resigned 30.09.2025)*
MP Hill	
EH Dodd	
NS Pollard	*(Appointed 01.05.2025)*
JW Hobin-Bucksey	

Political and charitable donations

During the year, the company made no political contributions *(2024: £nil)* and no charitable donations (*2024: £nil*).

Other information

An indication of research and development, employee involvement, likely future developments in the business have been included in the Strategic Report which starts on page 1. There have been no significant events which have occurred since the end of the financial year.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be re-appointed and BDO LLP will therefore continue in office.
By order of the board

EH Dodd
Director

27 November 2025

Wiltshire House
County Park Business Centre
Shrivenham Road
Swindon
Wiltshire
SN1 2NR

Statement of directors' responsibilities in respect of the Strategic report, the Directors' report and the financial statements

The directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable 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). 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 accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

Independent auditor's report to the members of Hills Waste Solutions Limited

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 April 2025 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.

We have audited the financial statements of Hills Waste Solutions Limited ("the Company") for the year ended 30 April 2025 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and notes to the financial statements, 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 Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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

Independence

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.

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 a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual report and financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 this gives rise to 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 this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent auditor's report to the members of Hills Waste Solutions Limited *(continued)*

Other Companies Act 2006 reporting

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 the Directors' report have been prepared in accordance with applicable legal requirements.

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

Extent to which the audit was 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 material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Company and the industry in which it operates;
- Discussion with management and those charged with governance; and
- Obtaining and understanding of the Company's policies and procedures regarding compliance with laws and regulations.

We considered the significant laws and regulations to be UK accounting standards and applicable law, and UK tax legislation.

The Company is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be UK tax legislation, UK employment law and the UK Environment Act.

Independent auditor's report to the members of Hills Waste Solutions Limited *(continued)*

Non-compliance with laws and regulations (continued)

Our procedures in respect of the above included:

- Review of minutes of meetings of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Company's policies and procedures relating to:
    - Detecting and responding to the risks of fraud; and
    - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meetings of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- Considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these.

Based on our risk assessment, we considered the areas most susceptible to fraud to be in relation to revenue recognition and management override.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria (including entries posted to revenue), by agreeing to supporting documentation;
- Assessing significant estimates made by management for bias in respect of restoration and aftercare provisions;
- Reviewing unadjusted audit differences for indications of bias or deliberate misstatement; and
- Incorporating an element of unpredictability in our response to fraud.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that 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, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available 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.

DocuSigned by:
James Eastell
ACDBBDEF1FD247D...

James Eastell (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Bristol, UK

28 November 2025

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Profit and Loss Account
for the year ended 30 April 2025

	Note	**2025**	2024
		£000	£000
Turnover	*2*	**64,285**	58,207
Cost of sales		**(53,724)**	(46,587)
Gross profit		**10,561**	11,620
Distribution costs		**(2,855)**	(2,618)
Administrative expenses		**(6,589)**	(6,292)
Other operating income		**4**	53
Operating profit	*3*	**1,121**	2,763
Interest receivable	*5*	**1,367**	19
Interest payable and similar charges	*6*	**(502)**	(515)
Profit before taxation		**1,986**	2,267
Tax on profit	*7*	**(313)**	(975)
Profit for the financial year		**1,673**	1,292

All amounts relate to continuing activities.

The company has no items of other comprehensive income.

The notes on pages 14 to 27 form an integral part of these financial statements.

Balance Sheet
at 30 April 2025

	Note	2025	2025	2024	2024
		£000	**£000**	£000	£000
Fixed assets					
Intangible assets	*8*		**2,499**		2,434
Tangible assets	*9*		**27,001**		28,474
			29,500		30,908
Current assets					
Stocks	*10*	**595**		607	
Debtors *(including £997,000 (2024: £1,319,000) due after more than one year)*	*11*	**26,726**		28,130	
Cash at bank and in hand		**75**		93	
		27,396		28,830	
Creditors: amounts falling due within one year	*12*	**(18,349)**		(19,272)	
Net current assets			**9,047**		9,558
Total assets			**38,547**		40,466
Creditors: amounts falling due after more than one year	*13*		**(1,758)**		(3,271)
Provision for liabilities and charges					
Deferred tax	*16*		**(2,967)**		(2,811)
Other provisions	*17*		**(11,261)**		(12,246)
Net assets			**22,561**		22,138
Capital and reserves					
Called up share capital	*18*		**10**		10
Profit and loss account			**22,551**		22,128
Shareholders' funds			**22,561**		22,138

The notes on pages 14 to 27 form an integral part of these financial statements.

These financial statements were approved by the board of directors on 27 November 2025 and were signed on its behalf by:

JW Hobin-Bucksey
Director

Statement of Changes in Equity
at 30 April 2025

	Called up Share capital	Profit and loss account	Total equity
	£000	£000	£000
Balance at 1 May 2023	10	22,336	22,346
Total comprehensive income for the period			
Profit	-	1,292	1,292
Total comprehensive income for the period	-	1,292	1,292
	10	23,628	23,638
Dividends paid	-	(1,500)	(1,500)
Balance at 30 April 2024	**10**	**22,128**	**22,138**

	Called up Share capital	Profit and loss account	Total equity
	£000	£000	£000
Balance at 1 May 2024	10	22,128	22,138
Total comprehensive income for the period			
Profit	-	1,673	1,673
Total comprehensive income for the period	-	1,673	1,673
	10	23,801	23,811
Dividends paid	-	(1,250)	(1,250)
Balance at 30 April 2025	**10**	**22,551**	**22,561**

The notes on pages 14 to 27 form an integral part of these financial statements.

Notes to the financial statements

1 Accounting policies

Hills Waste Solutions Limited (the "company") is a company limited by shares and incorporated and domiciled in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"). The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The company's ultimate parent undertaking, Hills UK Limited includes the company in its consolidated financial statements. The consolidated financial statements of Hills UK Limited are also prepared in accordance with Financial Reporting Standard 102 and are available to the public and may be obtained from Wiltshire House, County Park Business Centre, Shrivenham Road, Swindon, Wiltshire, SN1 2NR.

In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- cash flow statement and related notes;
- related party transactions; and
- key management personnel compensation.

The company proposes to continue to adopt the reduced disclosure framework of FRS 102 in its next financial statements. The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 22. The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Measurement convention

The financial statements are prepared on the historical cost basis.

Turnover

Turnover is derived from the sale of landfill space, and from the collection, management and recycling of waste materials. Revenue is recognised on dispatch of goods or performance of services. All turnover is derived from activities carried on in the UK.

Going concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for 17 months from the date of approval of these financial statements which indicates that the company will have sufficient funds to meet its liabilities as they fall due for that period.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Notes to the financial statements *(continued)*

1 Accounting policies *(continued)*

Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Landfill tax

Landfill tax is included within both turnover and cost of sales. It is an integral part of the charge made to customers for some services and is subject to value added tax.

Intangible fixed assets and amortisation

Intangible assets are stated at cost less accumulated amortisation.

The assets are amortised over their useful economic lives in order to be matched against revenue that arises from the activities generated from the assets

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost / deemed cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

Leases in which the company assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. All other leases are classified as operating leases. Leased assets acquired by way of finance lease are stated on initial recognition at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, including any incremental costs directly attributable to negotiating and arranging the lease. At initial recognition a finance lease liability is recognised equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The present value of the minimum lease payments is calculated using the interest rate implicit in the lease. Lease payments are accounted for as described below.

The company assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

Freehold land is not depreciated. The cost less residual value of landfill sites is depreciated over the estimated life of the site on the basis of the usage of the void space.

The cost of landfill sites includes acquisition and commissioning costs, engineering works, and the discounted cost of the capitalised site restoration and post-closure aftercare costs.

Cost includes directly attributable finance costs.

Notes to the financial statements *(continued)*

1 Accounting policies *(continued)*

***Tangible fixed assets and depreciation** (continued)*

Depreciation is provided by the company to write off the cost less estimated residual value of other tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Plant and machinery	- over 3 to 25 years
Fixtures and fittings	- over 3 to 5 years
Motor vehicles	- over 4 to 7 years
Software	- over 3 years
Freehold buildings	- over 40 years

Freehold buildings on landfill sites are depreciated over the life of that site.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is based on the first-in first-out principle and includes expenditure incurred in acquiring the stocks, production or conversion costs and other costs in bringing them to their existing location and condition.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Expenses

Operating lease

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Finance lease

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the rate implicit in the lease. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the periods in which they are incurred.

Notes to the financial statements *(continued)*

1 Accounting policies *(continued)*

Expenses (continued)

Interest receivable and Interest payable

Interest payable and similar charges include interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions and changes in the discount rate, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy). Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial time to be prepared for use, are capitalised as part of the cost of that asset.

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Foreign currency gains and losses are reported on a net basis.

Research and development

Expenditure on research and development is incurred on a specific project and has been carried forward as pre contract costs within intangible assets.

Post-retirement benefits

The company is a member of Hills UK Limited's defined contribution pension scheme. The assets of the scheme are held separately from those of the company in independently administered funds. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

The company also participates in a group wide pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the company. The company is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as permitted by FRS 102, accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period. Further details of the specific accounting treatment adopted are set out in note 23.

Provisions for restoration and aftercare costs

The expected costs of the restoration and aftercare of landfill sites are recognised as provisions when the obligations arise.

Where the time value of money is material, the amount of the provision is discounted to present value. The discount rate used was 4.8% *(2024: 4.2%)* with a long-term inflation assumption of 2% *(2024: 2%)* producing a net discount rate of 2.8% *(2024: 2.2%)*. The unwinding of the discount is included within interest payable and similar charges.

Tangible fixed assets are created for an amount equal to the fixed element of the provision with the remainder being expensed through the profit and loss account. The fixed elements, which are the amounts of the provision which confer future economic benefit, are recognised as additions to the original assets in land and buildings. The fixed assets are charged to the profit and loss account on the basis described above in "Fixed assets and depreciation" for landfill sites. Restoration and aftercare costs are subsequently charged to the provisions when incurred.

Dividends

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

Notes to the financial statements *(continued)*

2 Turnover and segmental reporting

Turnover represents the amounts (excluding value added tax) derived from the sale of waste management services. Turnover is recognised on provision of waste management services.

The whole of the turnover and profit on ordinary activities before taxation derives from operations within the United Kingdom.

3 Operating profit and auditor's remuneration

This is stated after charging/(crediting):

	2025 £000	2024 £000
Depreciation of owned fixed assets	**2,381**	2,446
Depreciation of assets held under finance leases and hire purchase contracts	**1,609**	1,538
Operating lease rentals	**1,489**	1,417
Profit on sale of fixed assets	**(4)**	(53)
Auditor's remuneration: audit of these financial statements	**35**	30

Amounts receivable by the company's auditor and their associates in respect of services to the company and its associates, other than the audit of the company's financial statements have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the company's parent.

Research and development expenditure of £65,000 *(2024: £3,000)* has been capitalised as intangible assets in the year.

4 Directors' emoluments and staff costs

Directors' emoluments

	2025 £000	2024 £000
Emoluments (including contributions to defined benefit pension schemes)	**362**	343
	362	343
Highest paid director:		
Emoluments	**180**	175
Contributions to defined benefit pension schemes	**31**	25
	211	200

Number of directors accruing benefits in company pension schemes:

	2025 No.	2024 No.
Defined contribution schemes	**3**	3

Notes to the financial statements *(continued)*

4 Directors' emoluments and staff costs *(continued)*

Staff costs

The aggregate payroll costs of the persons employed by the company in the year (including directors) were as follows:

	2025	2024
	£000	£000
Wages and salaries	**7,459**	7,303
Social security costs	**800**	730
Pension costs	**1,160**	1,030
	9,419	**9,063**

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

	2025	2024
	No.	No.
Site based employees	**145**	147
Administration and sales staff	**54**	57
Company average including directors	**199**	204

5 Interest receivable and similar charges

	2025	2024
	£000	£000
Change in discount rate on provision for site restoration (see note 17)	**1,319**	-
Other interest received	**48**	19
	1,367	19

The total credit in respect the change to the discount rate used in the restoration provision was £1,600,000 in the year as shown in note 17. The remaining £281,000 has been credited to the fixed asset for restoration.

6 Interest payable and similar charges

	2025	2024
	£000	£000
Bank loans and overdrafts	**42**	2
Interest on finance leases and hire purchase contracts	**164**	217
Unwind of the discounted amount on provision for site restoration (see note 17)	**296**	296
	502	515

Notes to the financial statements *(continued)*

7 Taxation

Total tax recognised in the profit and loss account.

	2025	2024
	£000	£000
Analysis of charge in the year		
Current tax:		
UK corporation tax on profits of the year	**160**	479
Adjustments in respect of previous years	**(3)**	364
Total current tax	**157**	843
Deferred tax:		
Origination and reversal of timing differences	**155**	210
Adjustments in respect of previous years	**1**	(78)
Total deferred tax	**156**	132
Total tax	**313**	975

Reconciliation of effective rate

The total tax charge for the period is lower *(2024: higher)* than the standard rate of corporation tax in the UK. The differences are explained below:

	2025	2024
	£000	£000
Profit for the year	**1,673**	1,292
Total tax expense	**313**	975
Profit on ordinary activities before tax	**1,986**	2,267
Standard rate of corporation tax in the UK 25% *(2024: 25%)*	**25%**	25%
Profit on ordinary activities multiplied by the standard rate of corporation tax	**496**	567
Effects of:		
Expenses not deductible for tax purposes	**14**	8
Income not taxable	**-**	(1)
Fixed asset differences	**(195)**	119
Adjustment to deferred tax brought forward values	**-**	(4)
Adjustments to tax charge in respect of previous periods	**(2)**	286
Total tax expenses included in profit and loss	**313**	975

The deferred tax asset as at 30 April 2025 has been calculated at the rate of 25% *(2024: 25%)*.

Notes to the financial statements *(continued)*

8 Intangible assets

	Pre Contract Costs £000
Cost	
At 1 May 2024	2,434
Additions	65
At 30 April 2025	2,499
Amortisation	
At 1 May 2024	-
Provided during the year	-
At 30 April 2025	-
Net book value	
At 30 April 2025	**2,499**
At 30 April 2024	2,434

The intangible fixed assets relate to pre-contract costs in relation to a fuel supply agreement with Northacre Renewable Energy Ltd which will be expensed over the 10 year contract life.

There has been no impairment, or impairment reversal, in the year (*2024: £nil*).

9 Tangible fixed assets

	Motor vehicles £000	Land and buildings £000	Other assets £000	Plant and machinery £000	Total £000
Cost					
At 1 May 2024	6,009	38,963	942	36,485	82,399
Additions	942	6	-	1,808	2,756
Disposals	(939)	(6,113)	(542)	(6,916)	(14,510)
At 30 April 2025	6,012	32,856	400	31,377	70,645
Depreciation					
At 1 May 2024	3,330	23,960	926	25,709	53,925
Charge for the year	741	1,008	4	2,237	3,990
On disposals	(939)	(5,876)	(540)	(6,916)	(14,271)
At 30 April 2025	3,132	19,092	390	21,030	43,644
Net book value					
At 30 April 2025	**2,880**	**13,764**	**10**	**10,347**	**27,001**
At 30 April 2024	2,679	15,003	16	10,776	28,474

Impairment loss and subsequent reversal

There has been no impairment loss in the current year *(2024: £nil)*.

Notes to the financial statements *(continued)*

9 Tangible fixed assets *(continued)*

Security

The Northacre Energy Resource Centre is pledged as security for the related bank loan provided by RBS. This is included in Land and buildings above. The amount outstanding on the related loan is £nil *(2024: £nil)*.

Land and buildings	**Cost 2025 £000**	**Net book value 2025 £000**	Cost 2024 £000	Net book value 2024 £000
Freehold land and buildings	**26,234**	**12,976**	29,597	14,102
Short leasehold land and buildings	**248**	**30**	2,799	44
	26,482	**13,006**	32,396	14,146

Leased plant and machinery

	2025 £000	2024 £000
Net book value of fixed assets held under finance leases and hire purchase contracts	**3,100**	4,307

The fixed assets owned under finance leases carry financial obligations as shown in note 15. The depreciation charged in the year for the assets held under finance leases was £1,609,000 *(2024: £1,538,000)*.

Included within land and buildings is a cost of £6,374,000 *(2024: £6,567,000)* and associated accumulated depreciation of £5,616,000 *(2024: £5,710,000)* relating to the restoration asset which represents the discounted cost of the fixed element of the site restoration and post-closure aftercare. This asset is not included in the analysis of freehold and leasehold properties shown above.

10 Stocks

	2025 £000	2024 £000
Consumables	**595**	607
	595	607

The difference between purchase price or production cost of stocks and their replacement cost is not material.

Consumables were recognised as cost of sales and distribution costs in the year amounting to £1,512,000 and £1,062,000 respectively *(2024: £1,181,000 cost of sales and £1,123,000 distribution)*.

11 Debtors

	2025 £000	2024 £000
Trade debtors	**11,092**	8,488
Other debtors	**-**	2,994
Amounts owed by group undertakings	**10,764**	11,124
Prepayments and accrued income	**4,870**	5,524
	26,726	28,130

Amounts due after more than one year included in prepayments and accrued income is £997,000 *(2024: £1,319,000)*.

Notes to the financial statements *(continued)*

12 Creditors: amounts falling due within one year

	2025	2024
	£000	£000
Bank loans and overdrafts	**2,053**	1,601
Obligations under finance leases and hire purchase contracts (see note 15)	**1,891**	1,829
Trade creditors	**3,722**	4,729
Amounts owed to group undertakings	**3,822**	3,999
Corporation tax	**305**	479
Other taxes and social security costs	**5,219**	4,901
Accruals and deferred income	**1,337**	1,734
	18,349	19,272

Amounts owed to group undertakings are interest free and repayable on demand.

13 Creditors: amounts falling due after more than one year

	2025	2024
	£000	£000
Obligations under finance lease and hire purchase contracts (see note 14)	**1,758**	3,271
	1,758	3,271

14 Interest- bearing loans and borrowings

This note provides information about the contractual terms of the Company's interest-bearing loans and borrowings, which are measured at amortised cost.

	2025	2024
	£000	£000
Creditors falling due after more than one year		
Finance lease and hire purchase liabilities	**1,847**	3,427
	1,847	3,427
Creditors falling due within less than one year		
Secured bank loans	**2,053**	1,601
Finance lease and hire purchase liabilities	**1,996**	1,983
	4,049	3,584

The secured bank loans comprise £2,053,000 *(2024: £1,601,000)* of variable funding secured on trade debtors from an invoice financing facility. The variable debtor finance is secured by an all assets debenture and is governed by a facility agreement which was effective for a minimum period which expired on 23rd June 2019 and since this date is cancellable on 6 months' notice. Interest is charged at a margin of 1.4% above UK base rates.

Notes to the financial statements *(continued)*

15 Other interest- bearing loans and borrowings

The maturity of obligations under finance leases and hire purchase contracts are as follows:

	2025 £000	2024 £000
Capital and interest payable:		
With one year	**1,996**	1,983
Within one to two years	**1,059**	1,900
In the second to fifth years	**788**	1,527
	3,843	5,410

16 Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2025 £000	2024 £000	**2025 £000**	2024 £000	**2025 £000**	2024 £000
Accelerated capital allowances	-	-	**2,967**	2,811	**2,967**	2,811
Tax losses carried forward	-	-	-	-	-	-
Tax (assets) / liabilities	-	-	**2,967**	2,811	**2,967**	2,811

The deferred tax liability as at 30 April 2025 has been calculated based on a rate of 25% *(2024: 25%)*.

The provision for deferred taxation has not been discounted.

17 Provisions for liabilities

Site restoration and aftercare

	2025 £000	2024 £000
At 1 May 2024	12,246	12,218
Provided in the year	630	50
Amounts utilised in the year	(311)	(318)
Change in discount rate used (see note 5)	(1,600)	-
Discount unwind for the year (see note 6)	296	296
At 30 April 2025	**11,261**	12,246

Site restoration and aftercare

The site restoration and aftercare provision is an estimation of the likely restoration and aftercare costs in today's terms for the cost of restoring Landfill sites and then managing them through the 60 year aftercare period.

The major cost items and areas of uncertainty are discussed in note 22, Accounting estimates and judgements.

The restoration and aftercare provision required is sensitive to the long-term discount rate and long term inflation rate assumption used. These provisions are discounted from the date on which the expenditure is expected to occur.

A discount rate of 4.8% *(2024: 4.2%)* and an inflation rate of 2.0% *(2024: 2.0%)* have been used to discount the future costs to their present value to produce an effective net discount rate of 2.8% *(2024: 2.2%)*.

Notes to the financial statements *(continued)*

18 Share capital

	2025 £000	2024 £000
Allotted, called up and fully paid		
20,000 *(2024: 20,000)* ordinary shares of 50p each	**10**	10

19 Dividends

	2025 £000	2024 £000
Dividends for which the company became liable during the year:		
Dividends paid	**1,250**	1,500

20 Capital commitments

	2025 £000	2024 £000
Amounts contracted for but not provided in the accounts	**631**	834

21 Other financial commitments

The company had minimum lease payments under non-cancellable operating leases as set out below:

	2025 £000	2024 £000
Not later than one year	**766**	325
Later than one year and not later than five years	**2,060**	129
Later than five years	**637**	-
	3,463	454

During the year £1,489,000 was recognised as an expense in the profit and loss account in respect of operating leases *(2024: £1,417,000)*.

Notes to the financial statements *(continued)*

22 Accounting estimates and judgements

The preparation of the company's financial statement requires management to make judgements, estimate and assumption that affect the application of account policies and reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Key sources of estimation uncertainty

Restoration provisions
The timing of the expected cash flows of the site restoration and aftercare provision are estimated on a site by site basis over the period covering the operational life of the site, its full restoration when completed, and the continuing 60 year aftercare period following restoration. The amounts and timing of the expected outflows are uncertain due to the projection of costs over this period of time.

The basis of the provision is the estimation of the likely restoration and aftercare costs for prescribed aftercare periods which are then discounted from the periods when the obligation are forecast to arise back to today's terms. Landfill site costs are expected to be spent over typically 60 year aftercare periods, which is the assumption used in the calculation of the provision.

Major cost elements within the provision are cell capping costs, installation of monitoring wells and subsequent treatment of leachate, landfill gas management and routine testing of leachate composition, surface water and gas arising. Leachate arisings are calculated by reference to capped landfill surface area and estimated water infiltration through cell caps. Estimates of water infiltration are to a large extent based upon experience of capped cells. Leachate treatment costs include operation of leachate treatment plants, costs of disposal by local Water Companies, replacement of infrastructure and in some cases haulage.

Current unit costs of leachate disposal to sewer are estimated based upon current levels of contamination and modelled throughout the aftercare period. There is however expectation that the levels of contamination should progressively decrease over the aftercare periods and lead to a unit cost reduction in leachate disposal charges which is not reflected in our provision. Gas management costs include installation and maintenance of gas flaring equipment and re-drilling of gas abstraction wells. Gas flaring is estimated to be necessary for part of the aftercare scheme based upon the period between the end of commercial utilisation of the gas to create energy and the latter stages of aftercare when gas arisings are low and passive venting is appropriate.

Future revenues from the generation of electricity from landfill gas during the aftercare period, where contracts are in place for its sale, are not deducted from the provision balances.

Where applicable, cost of acquiring performance bonds to secure permit requirements is also a significant cost. These costs are estimated based upon agreements in place with the Environment Agency.

The restoration and aftercare provision required is sensitive to the long-term discount rate and long term inflation rate assumption used. These provisions are discounted from the date on which the expenditure is expected to occur.

A discount rate of 4.8% *(2024: 4.2%)* and an inflation rate of 2.0% *(2024: 2.0%)* have been used to discount the future costs to their present value to produce an effective net discount rate of 2.8% *(2024: 2.2%)*. An increase in the discount rate of 0.3% (to 5.1%) would reduce the required provision by £688,000 from the current figure of £11,261,000 to £10,573,000. Conversely a reduction in the discount rate of 0.3% (to 4.5%) would increase the provision required by £760,000 to £12,021,000.

23 Pensions

Defined contribution scheme

Employees are eligible to be members of the group's defined contribution pension scheme. Four directors *(2024: three directors)* are members of the scheme. The assets of the scheme are held separately from those of the group and the company in independently administered funds. The amount charged against profits represents the contributions payable to the scheme in respect of the accounting period and amounted to £637,000 *(2024: £609,000)*. An accrual of £nil has been made for these charges as at 30 April 2025 *(2024: £nil)*.

Notes to the financial statements *(continued)*

23 Pensions *(continued)*

Defined benefit pension scheme

Other employees and three directors are members of the parent company (Hills UK Limited's) defined benefit pension scheme *(2024: three directors)*. The assets of the scheme are held separately from those of the company and group. The scheme closed to the accrual of further benefits on 1 July 2017.

The most recent valuation of the scheme as at 1 July 2023 has been updated by the actuary on an FRS102 basis on 30 April 2025 and on 30 April 2024.

Because the company is unable to identify its share of the scheme assets and liabilities on a consistent and reasonable basis, as permitted by FRS102, the scheme is accounted for by this company as if the scheme was a defined contribution scheme with the full requirements of FRS102 being adopted in the financial statements of the parent company, Hills UK Limited, which can be obtained from the address given in note 25.

The assets and liabilities of the scheme are not able to be attributed to the current trading companies in the Hills UK Group as they include significant amounts which relate to dormant or disposed subsidiaries as well as the actively trading subsidiaries.

The profit and loss charge for the defined benefit scheme is £523,000 *(2024: £421,000)*.

The total profit and loss charge for both the above schemes is £1,160,000 *(2024: £1,030,000)*.

24 Cross guarantee

The company has an unlimited composite guarantee over the borrowing facilities of Hills UK Limited, The Hills Group Limited, Hills Quarry Products Limited, Hills Municipal Collections Limited, Hills Homes Developments Limited, County Homes (Wessex) Limited, Hills (West Midlands) Limited and Able Waste Management Limited.

25 Ultimate parent undertakings

The company is a subsidiary undertaking of The Hills Group Limited which in turn is a wholly owned subsidiary of Hills UK Limited which is registered in England and Wales. The largest and smallest group in which these results are included is headed by Hills UK Limited. The consolidated financial statements are available to the public and may be obtained from:

Wiltshire House
County Park Business Centre
Shrivenham Road
Swindon
SN1 2NR

26 Post balance sheet events

None to report