

Registered No. 2660628

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011
FOR
CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED
T/A AMGEN CYMRU**

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**CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED
T/A AMGEN CYMRU**

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FOR THE YEAR ENDED 31 MARCH 2011**

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**CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED
T/A AMGEN CYMRU**

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2011**

DIRECTORS:	A D Maddox M C Adams (Appointment terminated 12 th November, 2010) N Wheeler B J Davies W K Lewis
SECRETARY:	B J Davies
REGISTERED OFFICE:	Bryn Pica Llwydcoed Aberdare Rhondda Cynon Taf CF44 0BX
REGISTERED NUMBER:	2660628 (England and Wales)
AUDITORS:	KTS OWENS THOMAS LIMITED Chartered Accountants and Registered Auditors The Counting House Celtic Gateway Cardiff CF11 0SN
BANKERS:	Barclays Bank plc Pontypridd Business Centre 91 Taff Street Pontypridd

**CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED
T/A AMGEN CYMRU**

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2011**

The directors present their report with the financial statements of the company for the year ended 31 March 2011.

PRINCIPAL ACTIVITY

The principal activities of the company in the year under review continue to be the provision of recycling services and waste disposal facilities

BUSINESS REVIEW

The company recognised a profit of £464,022 (2010 - £813,571 loss) during the year. The significant improvement in financial performance is due to an improved trading year without (as explained in the prior year) any exceptional losses due to landfill cell failure and liquidation of a major customer which were both recognised in the previous year's financial statements. The company has no external debts and meets its day-to-day working capital requirements through cash generated from operations only.

The directors are pleased that the company has operated efficiently and profitably during the financial year under review despite the challenges which the wider economic climate brought.

Landfill volumes and income continued to fall and this was offset by an increase in recycling volumes. Key investment decisions have been made to further improve productivity in the recycling centre in recognition of the role and importance of this side of the business going forward.

The rebuild of the collapsed landfill cell was substantially completed during the year. It is fully compliant with Environment Agency requirements, providing sufficient void space for a 12-18 month period (subject to landfill volumes).

FUTURE DEVELOPMENTS

The directors continue to monitor and respond to regulatory changes and are clearly aware of future landfill diversion policies emanating from Government. Whilst the future business model will doubtlessly change (a rebalancing of recycling and landfill activities), the directors are confident that the company can remain profitable through this change process.

FINANCIAL RISK MANAGEMENT

The company's operations expose it to a variety of financial risks. These risks are monitored by the Board of Directors.

Price Risk

The company is exposed to commodity price risk, predominantly arising from volatility in the market price available for the sale of recycled commodities. The company attempts to mitigate this risk by putting in place appropriate contractual and partnering arrangements.

Credit Risk

The company is exposed to the risk of customer default on credit. The Board continuously and rigorously reviews this on a monthly basis with appropriate actions being taken to minimise the exposure.

Liquidity Risk

The company proactively monitors and manages its liquidity at Board level with debt/credit being regularly reviewed.

Interest Rate Cash Flow Risk

Interest bearing assets comprise cash balances which are not invested in long term instruments but retained as funds available for investment. Accordingly, the company has limited interest rate exposure.

DIVIDENDS AND TRANSFERS TO RESERVES

The directors do not recommend the payment of a dividend (2010 - £nil). The profit for the financial year of £464,022 (2010 - £813,571 loss) will be transferred to reserves.

**CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED
T/A AMGEN CYMRU**

**REPORT OF THE DIRECTORS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2011**

DIRECTORS

The directors during the year under review were

A D Maddox
M C Adams (Appointment terminated 12th November, 2010)
N Wheeler
B J Davies
W K Lewis

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Company law requires the directors to prepare financial statements for each financial year which 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 year. In preparing those 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,
- 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 proper accounting records which disclose with reasonable accuracy the financial position of the company, and ensuring that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

The information in the accounting statements and related notes (as defined by section 418 of the Companies Act 2006) has been disclosed to the company's auditors and provide a true and fair view of the financial position of Cynon Valley Waste Disposal Ltd as at 31 March 2011.

AUDITORS

The auditors, KTS Owens Thomas Limited will be proposed for re-appointment in accordance with Section 485 of the Companies Act 2006.

ON BEHALF OF THE BOARD:



B J Davies - Secretary

Date 21-10-11

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED
T/A AMGEN CYMRU**



ktsowenstomas
THREE DINIEN IONA ACCOUNTANTS

We have audited the financial statements of Cynon Valley Waste Disposal Company Limited T/A Amgen Cymru for the year ended 31 March 2011 on pages five to sixteen. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 a Report of the Auditors 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.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2011 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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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

KTS OWENS THOMAS LIMITED

Carol Warburton (Senior Statutory Auditor)
for and on behalf of KTS OWENS THOMAS LIMITED
Chartered Accountants and Statutory Auditor
The Counting House
Celtic Gateway
Cardiff
CF11 0SN

Date 21-10-2011

CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED
T/A AMGEN CYMRU

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2011

		Year ended 31 March 2011	Year ended 31 March 2010
	Notes	£	£
TURNOVER	2	7,423,742	6,334,289
Cost of Sales		<u>(5,977,624)</u>	<u>(5,943,998)</u>
GROSS PROFIT		1,446,118	390,291
Administrative expenses		<u>(940,989)</u>	<u>(1,205,380)</u>
OPERATING PROFIT/(LOSS)	4	505,129	(815,089)
Interest receivable and similar income		4,962	3,636
Interest payable and similar charges		<u>(1,929)</u>	<u>(2,118)</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		508,162	(813,571)
Tax on profit/(loss) on ordinary activities	5	<u>(44,140)</u>	-
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		<u><u>464,022</u></u>	<u><u>(813,571)</u></u>

The entire activities of the company during the current and prior financial year were derived from continuing operations

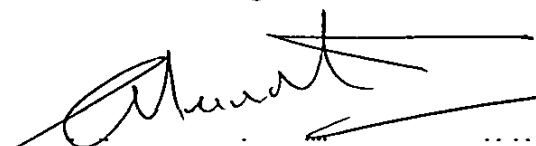
The company has no recognised gains and losses other than the profits above and therefore no separate statement of total recognised gains and losses has been presented

**CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED
T/A AMGEN CYMRU**

**BALANCE SHEET
31 MARCH 2011**

	Notes	31 March 2011 £	£	31 March 2010 £	£
FIXED ASSETS					
Tangible assets	6		5,119,601		4,674,148
Investments	7		<u>100</u>		<u>100</u>
			5,119,701		4,674,248
CURRENT ASSETS					
Debtors	8	1,872,450		1,930,950	
Cash at bank and in hand	9	<u>2,323,030</u>		<u>1,481,789</u>	
		4,195,480		3,412,739	
CREDITORS					
Amounts falling due within one year	10	<u>(2,562,224)</u>		<u>(2,341,822)</u>	
NET CURRENT ASSETS			<u>1,633,256</u>		<u>1,070,917</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			6,752,957		5,745,165
CREDITORS					
Amounts falling due after more than one year	11		(782,009)		(462,920)
PROVISIONS FOR LIABILITIES	13		(954,399)		(729,718)
NET ASSETS			<u>5,016,549</u>		<u>4,552,527</u>
CAPITAL AND RESERVES					
Called up share capital	15		2,806,000		2,806,000
Profit and loss account	16		<u>2,210,549</u>		<u>1,746,527</u>
SHAREHOLDERS' FUNDS			<u>5,016,549</u>		<u>4,552,527</u>

The financial statements of Cynon Valley Waste Disposal Company Limited T/A Amgen Cymru, registered number 2660628, were signed on behalf of the board and authorised for issue


A D Maddox - Director


B J Davies - Director

Approved by the Board on

21-10-11

CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED
T/A AMGEN CYMRU

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011

I ACCOUNTING POLICIES

Basis of preparation

The financial statements are prepared on a going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom

Exemption from preparing consolidated financial statements

The financial statements contain information about Cynon Valley Waste Disposal Company Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 418 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it is included in the consolidated financial statements of its ultimate parent undertaking, Rhondda Cynon Taf County Borough Council, which are publicly available.

Exemption from preparing a cash flow statement

The company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS1. A consolidated cash flow statement is prepared by the parent company, Rhondda Cynon Taf County Borough Council and is included within their financial statements which are publicly available from their web site.

Turnover and revenue recognition

Turnover represents net invoiced sales, excluding value added tax and landfill tax. Revenue is recognised as follows:-

- Landfill – when waste crosses the weighbridge and is tipped
- Community Recycling Centre (CRC) management – evenly over the period to which it relates
- Community Recycling Centre (CRC) transport – when the waste is removed from the CRC
- Recycling centre – when waste crosses the weighbridge and is taken to the recycling centre
- Landfill gas – recognised 3 months after landfill gas is generated due to contract terms

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold Property	- Straight line over 30 years
Leasehold land and buildings	- Over the term of the lease
Site infrastructure	- Straight line over 10 years
Recycling centre	- Straight line over 10 years
Landfill phases	- Airspace used for landfill
Plant and machinery	- Straight line over 5 - 10 years
Fixtures and fittings	- Straight line over 5 years
Computer equipment	- Straight line over 3 years
Motor vehicles	- Straight line over 4 years

**CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED
T/A AMGEN CYMRU**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011**

1. ACCOUNTING POLICIES (continued)

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated future lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account as incurred.

Pensions

The pension costs charged to the profit and loss account represent the contributions payable by the company in respect of defined benefit and defined contribution schemes (see note 14). Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Investments

Fixed asset investments are stated at cost less provision for impairment.

Grant income

Grant income received is deferred and released to the profit and loss account over the life of the asset to which it relates.

Aftercare capping provision

Provision is made for aftercare costs such as landfill capping and renovation in line with the shareholders agreement at an appropriate rate (see note 13).

2. TURNOVER

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK.

CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED
T/A AMGEN CYMRU

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011

3 DIRECTORS EMOLUMENTS AND EMPLOYEE INFORMATION

(i) Directors emoluments

	Year ended March 2011 £	Year ended March 2010 £
Directors' emoluments and other benefits	110,235	260,546
Compensation for loss of office	30,000	83,584
	<u>140,235</u>	<u>344,130</u>

	£	£
Highest paid director	66,665	62,000
Compensation for loss of office	-	83,584
Final pension scheme settlement	-	76,063
	<u>66,665</u>	<u>221,647</u>

The number of directors to whom retirement benefits were accruing was as follows

	Number	Number
Defined benefit and contribution schemes	<u>-</u>	<u>1</u>

The pension scheme contributions for the directors are up to a maximum of 19.20% (2010 19.20%) of salary. The schemes and their assets are held by independent managers.

(ii) Compensation for loss of office

During the year, Mr M C Adams, the Finance Director left the company. The company agreed to pay Mr Adams compensation for loss of office of £30,000 which is not subject to the deduction of tax.

(iii) Staff costs

	Year ended March 2011 £	Year ended March 2010 £
Wages and salaries	1,450,780	1,587,363
Social security costs	119,084	133,035
Other pension costs (see note 14)	<u>47,489</u>	<u>136,738</u>
	<u>1,617,353</u>	<u>1,857,136</u>

CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED
T/A AMGEN CYMRU

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011

3 DIRECTORS EMOLUMENTS AND EMPLOYEE INFORMATION (continued)

(iv) Number of employees

The average numbers of employees during the year were

	Year ended March 2011 Number	Year ended March 2010 Number
By activity:		
Salaried	17	17
Weekly	48	56
	<u>65</u>	<u>73</u>

4 OPERATING PROFIT/(LOSS)

The operating profit/(loss) is stated after charging:

	Year ended March 2011 £	Year ended March 2010 £
Depreciation of tangible fixed assets – owned assets	607,432	784,437
Depreciation of tangible fixed assets – leased assets	3,432	-
Exceptional items	-	471,839
Auditors remuneration	8,155	5,875
Hire of plant and machinery	<u>463,947</u>	<u>436,749</u>

In the prior year, exceptional items consisted of an impairment of a landfill cell which was condemned by the Environment Agency of £369,399. The charge also consisted of a bad debt write off of £102,440.

5 TAXATION

Analysis of the tax charge

The tax charge on the profit/(loss) on ordinary activities for the year was as follows

	Year ended March 2011 £	Year ended March 2010 £
Current tax:		
UK corporation tax charge for current year	31,447	-
UK corporation tax under provision from previous years	(29,763)	-
Deferred tax (see note 13)	<u>42,456</u>	-
	<u>44,140</u>	-

CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED
T/A AMGEN CYMRU

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011

5 TAXATION (continued)

Factors affecting the tax charge

The tax assessed for the year is the same as the standard rate of corporation tax in the UK

	Year ended March 2011 £	Year ended March 2010 £
Profit/(loss) on ordinary activities before tax	<u>508,162</u>	<u>(813,571)</u>
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21% (2010 – 21%)	106,714	(170,851)
Effect of:		
Permanent timing differences	66,709	517
(Capital allowances in excess of depreciation)/depreciation in excess of capital allowances	(12,840)	113,585
Short-term timing differences	(11,319)	17,785
Non-taxable income	(21,210)	(21,210)
(Utilisation)/inception of losses	(96,607)	60,174
Current tax charge	<u>31,447</u>	<u>-</u>

The forthcoming change in the corporation tax rate from 21% to 20% effective from 6 April 2012 will not materially affect the future tax charge

6 TANGIBLE FIXED ASSETS

	Land & Buildings £	Plant & Machinery £	Fixtures & Fittings £	Landfill Phases £	Totals £
COST					
At 1 April 2010	5,045,687	2,553,808	100,447	691,362	8,391,304
Additions	<u>-</u>	<u>324,160</u>	<u>9,415</u>	<u>722,742</u>	<u>1,056,317</u>
At 31 March 2011	<u>5,045,687</u>	<u>2,877,968</u>	<u>109,862</u>	<u>1,414,104</u>	<u>9,447,621</u>
DEPRECIATION					
At 1 April 2010	2,001,877	1,016,999	74,189	624,091	3,717,156
Charge for year	<u>278,141</u>	<u>295,629</u>	<u>11,864</u>	<u>25,230</u>	<u>610,864</u>
At 31 March 2011	<u>2,280,018</u>	<u>1,312,628</u>	<u>86,053</u>	<u>649,321</u>	<u>4,328,020</u>
NET BOOK VALUE					
At 31 March 2011	<u>2,765,669</u>	<u>1,565,340</u>	<u>23,809</u>	<u>764,783</u>	<u>5,119,601</u>
At 31 March 2010	<u>3,043,810</u>	<u>1,536,809</u>	<u>26,258</u>	<u>67,271</u>	<u>4,674,148</u>

The net book value of assets held under hire purchase agreements included within plant and machinery above is £42,332 (2010 - £nil)

CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED
T/A AMGEN CYMRU

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011

6 TANGIBLE FIXED ASSETS (continued)

Included within Land and Buildings is

	Freehold Land £	Short Leasehold Land £
COST		
At 1 April 2010 and 31 March 2011	<u>45,533</u>	<u>2,581,000</u>
DEPRECIATION		
At 1 April 2010	14,296	1,003,094
Charge for year	<u>1,213</u>	<u>68,751</u>
At 31 March 2011	<u>15,509</u>	<u>1,071,845</u>
NET BOOK VALUE		
At 31 March 2011	<u>30,024</u>	<u>1,509,155</u>
At 31 March 2010	<u>31,237</u>	<u>1,577,906</u>

7 FIXED ASSET INVESTMENTS

The company's investment in Amgen Rhondda Limited is shown at cost of £100 (2010 - £100)

The company holds 100% of the ordinary share capital of Amgen Rhondda Limited, a company incorporated in England and Wales

During the year ended 31 March 2011, Amgen Rhondda Limited continued to carry out comprehensive stewardship services of the site at Nant-y-Gwyddon in accordance with its waste management licence

8 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011 £	2010 £
Trade debtors	1,130,864	718,865
Amounts due from group undertakings	703,474	930,905
Prepayments and accrued income	<u>38,112</u>	<u>281,180</u>
	<u>1,872,450</u>	<u>1,930,950</u>

CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED
T/A AMGEN CYMRU

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011

9 CASH AT BANK AND IN HAND

	2011 £	2010 £
Current account and short term deposit account	2,322,745	1,481,629
Cash in hand	<u>285</u>	<u>160</u>
	<u><u>2,323,030</u></u>	<u><u>1,481,789</u></u>

The current account and short term deposit account are to be used for meeting the company's trading liabilities and to finance investment in site developments and improvements at Bryn Pica in accordance with the conditions of the Pollution Prevention and Control permit

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011 £	2010 £
Trade creditors	671,692	740,712
RCTCBC royalty	220,336	37,672
Obligations under hire purchase contracts	15,255	-
Amounts due to group undertakings	206,446	277,466
Taxation and social security	980,461	668,045
Aftercare capping provision (note 13)	100,000	100,000
Accruals and deferred income	287,271	299,669
Other creditors	<u>80,763</u>	<u>218,258</u>
	<u><u>2,562,224</u></u>	<u><u>2,341,822</u></u>

11 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2011 £	2010 £
Loan due to subsidiary undertaking	400,000	-
Obligations under hire purchase contracts	20,085	-
Deferred income – government grants	<u>361,924</u>	<u>462,920</u>
	<u><u>782,009</u></u>	<u><u>462,920</u></u>

The loan due to Amgen Rhondda Limited is unsecured, interest free and repayable after more than one year

CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED
T/A AMGEN CYMRU

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011

12 BORROWINGS

Borrowings are repayable as follows.

	2011 £	2010 £
Hire purchase		
Within one year	15,255	-
Between one and two years	15,255	-
Between two and five years	4,830	-
	<u>35,340</u>	<u>-</u>

Assets held under hire purchase contracts are secured over the assets to which they relate

13 PROVISION FOR LIABILITIES

	Deferred tax £	Aftercare capping provision £	Total £
At 1 April 2010	-	729,718	729,718
Charged to the profit and loss account	42,456	190,757	233,213
Utilised during the year	-	(8,532)	(8,532)
At 31 March 2011	<u>42,456</u>	<u>911,943</u>	<u>954,399</u>

Deferred tax

Deferred tax is provided as follows

	2011 £	2010 £
Accelerated capital allowances	138,182	-
Short-term timing differences	(86,652)	-
Tax losses	(9,074)	-
	<u>42,456</u>	<u>-</u>

Aftercare capping provision

The company is required by the shareholders agreement to provide for future aftercare costs such as landfill capping and restoration. During the current year, the company provided £2 per tonne (2010 - £2 per tonne) of waste tipped at landfill in order to make provision for this obligation. This method is considered by the directors to be the best estimate of future aftercare costs as at 31 March 2011. The directors assess the reasonableness of the £2 per tonne provision on a regular basis to take into account actual capping and restoration costs incurred and any expected changes in costs going forward to ensure that the provision is sufficient to meet the company obligations.

CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED
T/A AMGEN CYMRU

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011

14 PENSION OBLIGATIONS

The company contributes to both defined contribution and defined benefit pension schemes in respect of directors and all eligible employees

- a) The pension cost for the defined contribution scheme amounted to £32,957 (2010 - £32,668). Included in creditors is £570 (2010 - £1,115) in respect of contributions to the scheme
- b) The pension cost for the defined benefit scheme amounted to £14,532 (2010 - £104,070) Included in creditors is £80,227 (2010 - £119,075) in respect of contributions to the scheme, of which £50,709 (2010 - £81,655) relates to contributions recognised in the prior year following the Operations Director leaving the company

Contributions to the defined benefit pension scheme are payable to a group scheme administered by the company's ultimate parent undertaking, Rhondda Cynon Taf County Borough Council. An actuarial valuation of the scheme was performed at 31 March 2011, details of which are disclosed in the consolidated financial statements of Rhondda Cynon Taf County Borough Council which are publicly available

The company is unable to identify its share of the assets and liabilities of the group scheme attributable to its employees and as a consequence, contributions to the group scheme are accounted for as a defined contribution scheme

15 CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid

Number	Class	Nominal Value	2011 £	2010 £
2,806,000	Ordinary	£1	<u>2,806,000</u>	<u>2,806,000</u>

16 RESERVES

	Profit and loss account £
At 1 April 2010	1,746,527
Profit for the financial year	<u>464,022</u>
At 31 March 2011	<u>2,210,549</u>

17 OPERATING LEASE COMMITMENTS

At 31 March, the company had annual commitments under non-cancellable operating leases relating to plant and machinery as follows

	2011 £	2010 £
Leases which expire:		
Between two and five years	<u>457,006</u>	<u>457,006</u>

**CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED
T/A AMGEN CYMRU**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011**

18 RELATED PARTY DISCLOSURES

The company has taken advantage of the exemption to disclose transactions and balances with related parties under the terms of FRS 8 where they form part of a 100% group

Alun Maddox, a director of the company, also serves as a director to Amgen Environmental Body Limited, which is an organisation that oversees the payment of monies in relation to the Landfill Communities Fund. During the year, the company paid £256,200 to Amgen Environmental Body Limited (2010 - £322,973)

19 ULTIMATE PARENT AND CONTROLLING PARTY

The company's ultimate parent undertaking and controlling party is Rhondda Cynon Taf County Borough Council, which is the parent undertaking of the smallest and largest group to consolidate these financial statements.

Copies of Rhondda Cynon Taf County Borough Council's consolidated financial statements can be obtained from their website (www.rctcbc.gov.uk)

**CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED
T/A AMGEN CYMRU**

**TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2011**

	Year Ended 31 March 2011		Year Ended 31 March 2010	
	£	£	£	£
Turnover				
Landfill	1,830,955		2,579,624	
CRC management charge	699,599		692,243	
CRC transport	1,151,440		822,671	
Landfill gas	413,669		396,426	
Recycling centre	2,972,919		1,778,551	
Other income	355,160		64,774	
		<u>7,423,742</u>		<u>6,334,289</u>
Cost of sales				
Landfill				
Operatives	265,792		316,171	
External labour	6,615		3,349	
Plant hire	228,313		272,370	
Plant maintenance	27,936		31,354	
Consultancy	9,194		(4,300)	
Depreciation	257,854		446,403	
Impairment of landfill cap	-		369,399	
Cell 3b development	-		33,735	
Royalties	437,769		357,069	
Aftercare	191,495		258,300	
Rates	137,792		107,580	
PPC permit	17,144		9,120	
Fuels and oils	107,598		99,277	
Site repairs	50,007		60,200	
Leachate disposal	228,855		264,167	
Security	16,384		37,888	
Monitoring and testing	34,103		29,413	
Pest control	31,478		21,221	
Weighbridge maintenance	2,056		23,780	
Material for site	23,001		68,088	
Surveys	-		2,475	
Gas management	-		3,081	
Consumables	-		4,742	
		<u>2,073,386</u>		<u>2,814,882</u>
		5,350,356		3,519,407

This page does not form part of the statutory financial statements

CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED
T/A AMGEN CYMRU

TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2011

	Year Ended 31 March 2011		Year Ended 31 March 2010	
	£	£	£	£
Brought forward		5,350,356		3,519,407
Community Recycling Centre				
Operatives	317,674		351,102	
External labour	12,151		1,676	
Cabin hire	-		12,531	
Rates	15,036		12,787	
Site licence	21,851		21,792	
Depreciation	27,695		27,546	
Miscellaneous	39,395		45,069	
		433,802		472,503
Recycling Centre				
Operatives	369,753		362,232	
External labour	1,110,497		1,133,704	
Depreciation	296,175		276,422	
Government grants	(100,998)		(101,000)	
Plant hire	139,404		75,475	
Plant maintenance	88,632		103,211	
Fuel and oil	28,705		32,459	
Composting	85,002		120,798	
Security	13,502		19,114	
Rates	37,423		29,340	
Landfill cost	391,672		-	
Residue cost	205,964		-	
Miscellaneous	129,769		63,589	
		2,795,500		2,115,344
Transport				
Operatives	103,883		113,727	
External labour	32,812		30,110	
Vehicle hire	87,983		88,904	
Plant maintenance	16,558		17,185	
Fuel and oil	141,745		121,778	
Commodity disposal	278,026		165,278	
Miscellaneous	13,929		4,287	
		674,936		541,269
GROSS PROFIT		1,446,118		390,291

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**CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED
T/A AMGEN CYMRU**

**TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2011**

	Year ended 31 March 2011	Year Ended 31 March 2010
	£	£
Brought forward	1,446,118	390,291
Administration expenses		
Directors salaries	140,235	357,656
Wages	420,035	356,247
Insurance	171,895	164,426
Office costs	61,853	53,871
Postage and telephone	13,924	10,608
Computer costs	12,133	9,544
Health and safety	34,091	48,188
Business development	29,169	27,501
Legal	31,239	19,045
Training	-	6,003
Contributions to environmental bodies	25,620	36,410
Depreciation	29,139	34,066
Sundry expenses	15,925	11,252
Motor and travel	621	9,414
Subscriptions	8,014	7,143
Accountancy fees	575	575
Auditors remuneration	8,155	5,875
Financial bond	13,366	18,675
Loss on disposal	-	472
Bad debt	-	103,409
Management fee – Amgen Rhondda Limited	(75,000)	(75,000)
	<u>940,989</u>	<u>1,205,380</u>
OPERATING PROFIT/(LOSS)	505,129	(815,089)
Interest receivable and similar income		
Deposit account interest	4,962	3,636
Interest payable and similar charges		
Bank charges and interest	(1,929)	(2,118)
Corporation tax	(44,140)	-
NET PROFIT/(LOSS)	<u>464,022</u>	<u>(813,571)</u>

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