

**REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2013  
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 2013**

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

**COMPANY INFORMATION  
FOR THE YEAR ENDED 31 MARCH 2013**

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**DIRECTORS:**

A D Maddox  
N Wheeler  
B J Davies

**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 2013**

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The directors present their report with the financial statements of the company for the year ended 31 March 2013

**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 loss of £88,472 (2012 - £10,406 profit) during the year. 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 during the financial year under review despite the challenges which the waste industry and wider economic climate brought.

The company continues to experience relatively low landfill volumes albeit recycling volumes persist at higher levels. 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 cell designated Phase 4a was used during the year and as of March 2013 provides sufficient void space for a further 3-6 months. The construction of a new cell (designated 4b) is nearing completion thereby ensuring continuity and providing sufficient void space for a further 12-18 months (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. The potential impact upon landfill and recycling levels resulting from waste collection decisions of the company's primary customer (RCT CBC) will be a key challenge for the company in the new financial year. Whilst the future business operation will doubtlessly change (a rebalancing of recycling and landfill activities), the directors are confident that the future business model will support a viable operation.

**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 (2012 - £nil). The loss for the financial year of £88,472 (2012 - £10,406 profit) will be transferred from reserves.

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

**REPORT OF THE DIRECTORS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2013**

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**DIRECTORS**

The directors during the year under review were

A D Maddox  
N Wheeler  
B J Davies

**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. 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 the affairs of the company and of the profit or loss of the company for that period. 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 Company Ltd as at 31 March 2013.

**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 1/10/13

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



We have audited the financial statements of Cynon Valley Waste Disposal Company Limited T/A Amgen Cymru for the year ended 31 March 2013 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. In addition, we read all the financial and non-financial information in the Report of the Directors to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**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 2013 and of its loss 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 30 October 2013

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

**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 MARCH 2013**

		Year ended 31 March 2013	Year ended 31 March 2012
	Notes	£	£
<b>TURNOVER</b>	2	7,938,427	7,889,878
Cost of Sales		<u>(7,092,734)</u>	<u>(6,989,927)</u>
<b>GROSS PROFIT</b>		845,693	899,951
Administrative expenses		<u>(898,100)</u>	<u>(884,235)</u>
<b>OPERATING (LOSS)/PROFIT</b>	4	(52,407)	15,716
Interest receivable and similar income		4,985	7,139
Interest payable and similar charges	6	<u>(3,051)</u>	<u>(3,051)</u>
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(50,473)	19,804
Tax on (loss)/profit on ordinary activities	7	<u>(37,999)</u>	<u>(9,398)</u>
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</b>		<u><u>(88,472)</u></u>	<u><u>10,406</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 (loss)/profit above and therefore no separate statement of total recognised gains and losses has been presented

**CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED (COMPANY NUMBER: 2660628)  
T/A AMGEN CYMRU**

**BALANCE SHEET  
31 MARCH 2013**

	Notes	31 March 2013 £	£	31 March 2012 £	£
<b>FIXED ASSETS</b>					
Tangible assets	8		4,254,255		4,922,107
Assets under construction	9		411,813		-
Investments	10		<u>100</u>		<u>100</u>
			<u>4,666,168</u>		<u>4,922,207</u>
<b>CURRENT ASSETS</b>					
Debtors	11	2,597,176		2,010,241	
Cash at bank and in hand	12	<u>1,202,509</u>		<u>2,490,602</u>	
		<u>3,799,685</u>		<u>4,500,843</u>	
<b>CREDITORS</b>					
Amounts falling due within one year	13	<u>(2,388,614)</u>		<u>(2,452,812)</u>	
<b>NET CURRENT ASSETS</b>			<u>1,411,071</u>		<u>2,048,031</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			6,077,239		6,970,238
<b>CREDITORS</b>					
Amounts falling due after more than one year	14		(159,940)		(465,763)
<b>PROVISIONS FOR LIABILITIES</b>	16		<u>(978,816)</u>		<u>(1,477,520)</u>
<b>NET ASSETS</b>			<u>4,938,483</u>		<u>5,026,955</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	18		2,806,000		2,806,000
Profit and loss account	19		<u>2,132,483</u>		<u>2,220,955</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>4,938,483</u>		<u>5,026,955</u>

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



A D Maddox - Director



B J Davies - Director

Date

01/10/13.



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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2013**

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**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 (see note 22)

**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

**Assets under construction**

Assets under construction are carried at cost and are not depreciated until they are brought into use

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2013**

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**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 company'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 17) 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 16)

**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 2013**

**3 DIRECTORS EMOLUMENTS AND EMPLOYEE INFORMATION**

(i) Directors emoluments

	Year ended 31 March 2013 £	Year ended 31 March 2012 £
Directors' emoluments and other benefits	42,649	49,210
	<u>42,649</u>	<u>49,210</u>

The pension contributions of the directors are made by the parent undertaking, Rhondda Cynon Taf County Borough Council. A percentage of each director's remuneration package is recharged to the company by the parent based on the percentage of time spent on Cynon Valley Waste Disposal duties.

(ii) Staff costs

	Year ended 31 March 2013 £	Year ended 31 March 2012 £
Wages and salaries	1,275,145	1,378,943
Social security costs	107,159	108,803
Other pension costs (see note 17)	39,957	47,134
	<u>1,422,261</u>	<u>1,534,880</u>

(iii) Number of employees

The average numbers of employees during the year were

	Year ended 31 March 2013 Number	Year ended 31 March 2012 Number
By activity		
Salaried	12	16
Weekly	47	47
	<u>59</u>	<u>63</u>

**4 OPERATING (LOSS)/PROFIT**

The operating (loss)/profit is stated after charging

	Year ended 31 March 2013 £	Year ended 31 March 2012 £
Depreciation of tangible fixed assets – owned assets	1,080,832	819,381
Depreciation of tangible fixed assets – leased assets	4,576	4,576
Profit on disposal	(3,600)	(3,244)
Auditors remuneration	11,976	15,008
Hire of plant and machinery	559,045	531,676
Exceptional Items – release of HMRC provision (See note 5)	(636,207)	-
Exceptional Items – Consultants fees (See note 5)	133,496	-
Government grants	<u>(100,992)</u>	<u>(100,992)</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2013**

**5 EXCEPTIONAL ITEMS**

The exceptional item relates to the release of the HMRC Provision (see note 16), which related to a repayment of landfill tax received during the previous accounting period

At the last year end the company was in the process of seeking legal advice, together with confirmation from HMRC that this repayment was a realisable benefit to Cynon Valley Waste Disposal Ltd, and following the receipt of that advice has now taken the decision to release the repayment of £636,207 to the profit and loss account.

Legal fees totalling £133,496 in connection with the repayment have been offset against this exceptional item, resulting in net credit to the profit and loss account of £502,711

**6 INTEREST PAYABLE & SIMILAR CHARGES**

The interest payable of £3,051 (2012 - £3,051) relates to the hire purchase agreement disclosed in note 15.

**7 TAXATION**

**Analysis of the tax charge**

The tax charge on the profit on ordinary activities for the year was as follows

	Year ended 31 March 2013 £	Year ended 31 March 2012 £
<b>Current tax:</b>		
UK corporation tax charge for current year	14,139	-
UK corporation tax under provision from previous years	-	-
Deferred tax (see note 16)	23,860	9,398
	<u>37,999</u>	<u>9,398</u>

**Factors affecting the tax charge**

The tax assessed for the year is marginally lower than the standard rate of corporation tax in the UK

	Year ended 31 March 2013 £	Year ended 31 March 2012 £
(Loss)/Profit on ordinary activities before tax	<u>(50,473)</u>	<u>19,804</u>
(Loss)/Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2012 - 20%)	(10,095)	3,963
<b>Effect of:</b>		
Permanent timing differences	140	17,595
Depreciation in excess of capital allowances	84,169	26,563
Short-term timing differences	-	(5,073)
Non-taxable income	(20,198)	(20,198)
Utilisation of losses	(8,642)	-
Group Relief for no payment	(31,235)	22,850
Current tax charge	<u>14,139</u>	<u>-</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2013**

**8 TANGIBLE FIXED ASSETS**

	Land & Buildings £	Plant & Machinery £	Fixtures & Fittings £	Landfill Phases £	Totals £
<b>COST</b>					
At 1 April 2012	5,045,687	3,465,121	133,272	1,414,104	10,058,184
Additions	-	381,281	36,275	-	417,556
Disposals	-	(100,000)	-	-	(100,000)
At 31 March 2013	<u>5,045,687</u>	<u>3,746,402</u>	<u>169,547</u>	<u>1,414,104</u>	<u>10,375,740</u>
<b>DEPRECIATION</b>					
At 1 April 2012	2,557,817	1,606,079	96,918	875,263	5,136,077
Charge for year	277,842	411,937	20,589	375,040	1,085,408
Disposals	-	(100,000)	-	-	(100,000)
At 31 March 2013	<u>2,835,659</u>	<u>1,918,016</u>	<u>117,507</u>	<u>1,250,303</u>	<u>6,121,485</u>
<b>NET BOOK VALUE</b>					
At 31 March 2013	<u>2,210,028</u>	<u>1,828,386</u>	<u>52,040</u>	<u>163,801</u>	<u>4,254,255</u>
At 31 March 2012	<u>2,487,870</u>	<u>1,859,042</u>	<u>36,354</u>	<u>538,841</u>	<u>4,922,107</u>

The net book value of assets held under hire purchase agreements included within plant and machinery above is £33,180 (2012 - £37,756)

Included within Land and Buildings is:

	Freehold Land £	Short Leasehold Land £
<b>COST</b>		
At 1 April 2012 and 31 March 2013	<u>45,533</u>	<u>2,581,000</u>
<b>DEPRECIATION</b>		
At 1 April 2012	16,867	1,140,450
Charge for year	<u>1,504</u>	<u>68,459</u>
At 31 March 2013	<u>18,371</u>	<u>1,208,909</u>
<b>NET BOOK VALUE</b>		
At 31 March 2013	<u>27,162</u>	<u>1,372,091</u>
At 31 March 2012	<u>28,666</u>	<u>1,440,550</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2013**

**9 ASSETS UNDER CONSTRUCTION**

	Car Park	Landfill Phase 4b	Totals
	£	£	£
<b>COST</b>			
At 1 April 2012	-	-	-
Additions	<u>78,568</u>	<u>333,245</u>	<u>411,813</u>
At 31 March 2013	<u>78,568</u>	<u>333,245</u>	<u>411,813</u>

**10 FIXED ASSET INVESTMENTS**

The company's investment in Amgen Rhondda Limited is shown at cost of £100 (2012 - £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 2013, Amgen Rhondda Limited continued to carry out comprehensive stewardship services of the site at Nant-y-Gwyddon in accordance with its waste management licence

**11 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2013 £	2012 £
Trade debtors	1,086,503	1,122,663
Amounts due from group undertakings	1,385,605	842,578
Prepayments and accrued income	<u>125,068</u>	<u>45,000</u>
	<u>2,597,176</u>	<u>2,010,241</u>

**12 CASH AT BANK AND IN HAND**

	2013 £	2012 £
Current account and short term deposit account	1,202,284	2,490,397
Cash in hand	<u>225</u>	<u>205</u>
	<u>1,202,509</u>	<u>2,490,602</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.

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2013**

**13 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2013 £	2012 £
Trade creditors	523,886	418,605
Rhondda Cynon Taf County Borough Council royalty	178,559	137,544
Obligations under hire purchase contracts	4,831	15,255
Amounts due to group undertakings	110,792	191,081
Taxation and social security	1,037,086	1,154,018
Aftercare capping provision (note 16)	70,000	70,000
Accruals and deferred income	258,052	264,797
Other creditors	5,408	1,512
Loan due to subsidiary undertaking	200,000	200,000
	<u>2,388,614</u>	<u>2,452,812</u>

**14 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2013 £	2012 £
Loan due to subsidiary undertaking	-	200,000
Obligations under hire purchase contracts	-	4,831
Deferred income – government grants	159,940	260,932
	<u>159,940</u>	<u>465,763</u>

**15 BORROWINGS**

Borrowings are repayable as follows

	2013 £	2012 £
<b>Hire purchase</b>		
Within one year	4,831	15,255
Between one and two years	-	4,831
Between two and five years	-	-
	<u>4,831</u>	<u>20,086</u>

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

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2013**

**16 PROVISION FOR LIABILITIES**

	Deferred tax £	Aftercare capping provision £	HMRC Provision £	Total £
At 1 April 2012	51,854	789,459	636,207	1,477,520
Charged to the profit and loss account	-	192,356	-	192,356
Utilised during the year	-	(78,713)	(636,207)	(714,920)
Provided during year	23,860	-	-	23,860
At 31 March 2013	<u>75,714</u>	<u>903,102</u>	<u>-</u>	<u>978,816</u>

**Deferred tax**

Deferred tax is provided as follows

	2013 £	2012 £
Accelerated capital allowances	141,561	142,257
Short-term timing differences	(65,847)	(81,329)
Tax losses	-	(9,074)
	<u>75,714</u>	<u>51,854</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 (2012 - £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 2013. 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.

**HMRC provision**

The HMRC provision above was released during the year as an exceptional item (see note 5)



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**17 PENSION OBLIGATIONS**

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

- a) The pension cost for the defined contribution scheme amounted to £22,924 (2012 - £20,401) Included in creditors is £nil (2012 - £nil) in respect of contributions to the scheme
- b) The pension cost for the defined benefit scheme amounted to £17,033 (2012 - £16,964) Included in creditors is £2,838 (2012 - £1,354) in respect of contributions to the scheme

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 2013, 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.

**18 CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid

Number	Class	Nominal Value	2013 £	2012 £
2,806,000	Ordinary	£1	<u>2,806,000</u>	<u>2,806,000</u>

**19 RESERVES**

	Profit and loss account £
At 1 April 2012	2,220,955
Loss for the financial year	<u>(88,472)</u>
At 31 March 2013	<u><u>2,132,483</u></u>

**20 OPERATING LEASE COMMITMENTS**

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

	2013 £	2012 £
<b>Leases which expire:</b>		
Between one and two years	379,706	-
Between two and five years	<u>77,300</u>	<u>457,006</u>
	<u><u>457,006</u></u>	<u><u>457,006</u></u>

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**21 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 £360,214 to Amgen Environmental Body Limited (2012 - £272,655).

Nigel Wheeler and Barrie Davies, the other two directors of the company are employed by the company's parent undertaking, Rhondda Cynon Taf County Borough Council. The company is charged for their roles as Company Directors as part of a management recharge.

**22 ULTIMATE PARENT UNDERTAKING 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](http://www.rctcbc.gov.uk))