

**REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2014  
FOR  
CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED  
TRADING AS AMGEN CYMRU**

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**CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED  
TRADING AS AMGEN CYMRU**

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FOR THE YEAR ENDED 31 MARCH 2014**

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**CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED**  
**TRADING AS AMGEN CYMRU**

**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 31 MARCH 2014**

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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  
TRADING AS AMGEN CYMRU**

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 MARCH 2014**

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The directors present their report with the financial statements of the company for the year ended 31 March 2014.

**PRINCIPAL ACTIVITY**

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

**DIVIDENDS AND TRANSFERS TO RESERVES**

The directors do not recommend the payment of a dividend (2013 - £nil). The loss for the financial year of £458,417 (2013 - £88,472) will be transferred from reserves.

**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 2014.

**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: 19-11-14

**CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED  
TRADING AS AMGEN CYMRU**

**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 MARCH 2014**

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**BUSINESS REVIEW**

The company recognised a loss of £458,417 (2013 - £88,472) during the year. The company has no external lending and meets its day-to-day working capital requirements through cash generated from operations only.

During the year, the company's primary customer (RCT CBC) changed its waste collection arrangements to fortnightly collection of residual (black bag) waste in order to improve recycling rates. This has resulted in a significant increase in recycling centre input tonnages which has not followed through to an equivalent increase in commodity income as a consequence of recycle recovery rates. The company has reviewed its charging structure in light of these changes.

The company continues to experience relatively low landfill volumes.

The cell designated Phase 4b was completed during the year and as of 31 March 2014 provides sufficient void space for a further 2 years (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 the waste strategy of RCT CBC will be another challenge for the company in the new financial year. Whilst the future business operation will undoubtedly change (a rebalancing of recycling and landfill activities), the directors are confident that the future business model will support a viable operation. Future developments include:

- The management of a new Community Recycling Centre;
- Further increases in kerbside recycling;
- Potential opportunities to support further the residual waste disposal arrangements of RCT CBC;
- A new managed service contract for the Recycling Centre;
- Revised plant and vehicle hire arrangements.

**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 review 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

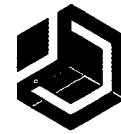
Interest bearing assets comprise cash balances which are not invested in long term instruments but retained as funds available for investment. Accordingly, the company has limited interest rate exposure.

**ON BEHALF OF THE BOARD:**



B J Davies - Secretary

Date: 19-11-14



**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF  
CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED TRADING AS 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 2014 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 2014 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 Strategic Report and 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: 2 December 2014

**CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED**  
**TRADING AS AMGEN CYMRU**

**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 MARCH 2014**

		Year ended 31 March 2014	Year ended 31 March 2013
	Notes	£	£
<b>TURNOVER</b>	2	9,090,561	7,938,427
Cost of Sales		<u>(8,809,531)</u>	<u>(7,092,734)</u>
<b>GROSS PROFIT</b>		281,030	845,693
Administrative expenses		<u>(780,259)</u>	<u>(898,100)</u>
<b>OPERATING LOSS</b>	4	(499,229)	(52,407)
Interest receivable and similar income		2,602	4,985
Interest payable and similar charges	6	<u>(1,271)</u>	<u>(3,051)</u>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(497,898)	(50,473)
Tax on loss on ordinary activities	7	<u>39,481</u>	<u>(37,999)</u>
<b>LOSS FOR THE FINANCIAL YEAR</b>		<u>(458,417)</u>	<u>(88,472)</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 above and therefore no separate statement of total recognised gains and losses has been presented.

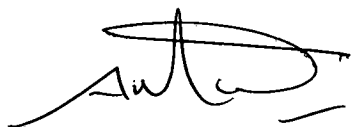
The notes form part of these financial statements

**CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED (COMPANY NUMBER: 2660628)  
TRADING AS AMGEN CYMRU**

**BALANCE SHEET  
31 MARCH 2014**

	Notes	31 March 2014 £	£	31 March 2013 £	£
<b>FIXED ASSETS</b>					
Tangible assets	8		4,540,311		4,254,255
Assets under construction	9		-		411,813
Investments	10		100		100
			<u>4,540,411</u>		<u>4,666,168</u>
<b>CURRENT ASSETS</b>					
Debtors	11	3,398,491		2,597,176	
Cash at bank and in hand	12	773,955		1,202,509	
		<u>4,172,446</u>		<u>3,799,685</u>	
<b>CREDITORS</b>					
Amounts falling due within one year	13	(3,339,290)		(2,388,614)	
<b>NET CURRENT ASSETS</b>			<u>833,156</u>		<u>1,411,071</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			5,373,567		6,077,239
<b>CREDITORS</b>					
Amounts falling due after more than one year	14		(58,948)		(159,940)
<b>PROVISIONS FOR LIABILITIES</b>	16		(834,553)		(978,816)
<b>NET ASSETS</b>			<u>4,480,066</u>		<u>4,938,483</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	18		2,806,000		2,806,000
Profit and loss account	19		<u>1,674,066</u>		<u>2,132,483</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>4,480,066</u>		<u>4,938,483</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 19/11/14

The notes form part of these financial statements



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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2014**

**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 generally applicable accounting standards applied in the United Kingdom. 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 the waste strategy of RCT CBC will be another challenge for the company in the new financial year. Whilst the future business operation will undoubtedly change (a rebalancing of recycling and landfill activities), the directors are confident that the future business model will support a viable operation. The directors are therefore content that the financial statements be prepared on a going concern basis.

**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

Landfill phases are eliminated from fixed assets during the year in which they are decommissioned.

**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**  
**TRADING AS AMGEN CYMRU**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2014**

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**I. 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**  
**TRADING AS AMGEN CYMRU**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2014**

**3. DIRECTORS EMOLUMENTS AND EMPLOYEE INFORMATION**

(i) Directors emoluments

	Year ended 31 March 2014 £	Year ended 31 March 2013 £
Directors' emoluments and other benefits	42,909	42,649
	<u>42,909</u>	<u>42,649</u>

The pension contributions of the directors are met 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 Company Limited duties.

(ii) Staff costs

	Year ended 31 March 2014 £	Year ended 31 March 2013 £
Wages and salaries	1,282,081	1,275,145
Social security costs	96,211	107,159
Other pension costs (see note 17)	86,473	39,957
	<u>1,464,765</u>	<u>1,422,261</u>

(iii) Number of employees

The average numbers of employees during the year were:

	Year ended 31 March 2014 Number	Year ended 31 March 2013 Number
By activity:		
Management & Administration	11	11
Landfill Operations	12	13
Recycling Operations	28	29
Transport Operations	5	5
Visitors Centre	1	1
	<u>57</u>	<u>59</u>

Remunerated on the following cycles:

Salaried/Monthly	31	12
Weekly	26	47
	<u>57</u>	<u>59</u>

On 01/10/2013, the company revised its payroll payment cycle moving all staff onto a monthly payment cycle. From this date, no staff are remunerated on a weekly basis.

**CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED**  
**TRADING AS AMGEN CYMRU**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2014**

**4. OPERATING LOSS**

The operating loss is stated after charging:

	Year ended 31 March 2014 £	Year ended 31 March 2013 £
Depreciation of tangible fixed assets – owned assets	969,748	1,080,832
Depreciation of tangible fixed assets – leased assets	4,577	4,576
Loss/(profit) on disposal	1,096	(3,600)
Auditors remuneration	9,191	11,976
Hire of plant and machinery	397,327	559,045
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>

**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 took the decision to release the repayment of £636,207 to the profit and loss account in the prior year.

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

**6. INTEREST PAYABLE & SIMILAR CHARGES**

The interest payable of £1,271 (2013 - £3,051) relates to the hire purchase agreement disclosed in note 15.

**7. TAXATION**

**Analysis of the tax charge**

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

	Year ended 31 March 2014 £	Year ended 31 March 2013 £
<b>Current tax:</b>		
UK corporation tax charge for current year	(5,636)	14,139
Deferred tax (see note 16)	<u>(33,845)</u>	<u>23,860</u>
	<u>(39,481)</u>	<u>37,999</u>

**CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED**  
**TRADING AS AMGEN CYMRU**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2014**

**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 2014 £	Year ended 31 March 2013 £
(Loss)/Profit on ordinary activities before tax	<u>(497,898)</u>	<u>(50,473)</u>
(Loss)/Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2013 – 20%)	(99,580)	(10,095)
<b>Effect of:</b>		
Permanent timing differences	110	140
Depreciation in excess of capital allowances	74,174	84,169
Short-term timing differences	(5,071)	-
Non-taxable income	(20,198)	(20,198)
Utilisation of losses	50,565	(8,642)
Group Relief for no payment	-	(31,235)
Current tax charge	<u>-</u>	<u>14,139</u>

**CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED**  
**TRADING AS AMGEN CYMRU**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2014**

**8. TANGIBLE FIXED ASSETS**

	Land & Buildings £	Plant & Machinery £	Fixtures & Fittings £	Landfill Phases £	Totals £
<b>COST</b>					
At 1 April 2013	5,045,687	3,746,402	169,547	1,414,104	10,375,740
Additions	-	126,424	7,347	-	133,771
Reclassifications	-	147,384	-	1,083,046	1,230,430
Disposals	-	(191,369)	-	(1,414,104)	(1,605,473)
At 31 March 2014	<u>5,045,687</u>	<u>3,828,841</u>	<u>176,894</u>	<u>1,083,046</u>	<u>10,134,468</u>
<b>DEPRECIATION</b>					
At 1 April 2013	2,835,659	1,918,016	117,507	1,250,303	6,121,485
Charge for year	277,886	404,858	20,119	271,462	974,325
Disposals	-	(87,549)	-	(1,414,104)	(1,501,653)
At 31 March 2014	<u>3,113,545</u>	<u>2,235,325</u>	<u>137,626</u>	<u>107,661</u>	<u>5,594,157</u>
<b>NET BOOK VALUE</b>					
At 31 March 2014	<u>1,932,142</u>	<u>1,593,516</u>	<u>39,268</u>	<u>975,385</u>	<u>4,540,311</u>
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>

Reclassifications relate to the transfer of completed assets from Assets Under Construction (see note 9).

The net book value of assets held under hire purchase agreements included within plant and machinery above is nil (2013 - £33,180). During the year all hire purchase agreements were settled in full and the related assets transferred to ownership.

Included within Land and Buildings is:

	Freehold Land £	Short Leasehold Land £
<b>COST</b>		
At 1 April 2013 and 31 March 2014	<u>45,533</u>	<u>2,581,000</u>
<b>DEPRECIATION</b>		
At 1 April 2013	18,371	1,208,909
Charge for year	<u>1,358</u>	<u>68,605</u>
At 31 March 2014	<u>19,729</u>	<u>1,277,514</u>
<b>NET BOOK VALUE</b>		
At 31 March 2014	<u>25,804</u>	<u>1,303,486</u>
At 31 March 2013	<u>27,162</u>	<u>1,372,091</u>

**CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED**  
**TRADING AS AMGEN CYMRU**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2014**

**9. ASSETS UNDER CONSTRUCTION**

	Car Park	Landfill Phase 4b	Totals
	£	£	£
<b>COST</b>			
At 1 April 2013	78,568	333,245	411,813
Additions	68,816	749,801	818,617
Reclassifications	(147,384)	(1,083,046)	(1,230,430)
At 31 March 2014	<u>-</u>	<u>-</u>	<u>-</u>

**10. FIXED ASSET INVESTMENTS**

The company's investment in Amgen Rhondda Limited is shown at cost of £100 (2013 - £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 2014, 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**

	2014 £	2013 £
Trade debtors	1,399,293	1,086,503
Amounts due from group undertakings	1,915,227	1,385,605
Prepayments and accrued income	83,971	125,068
	<u>3,398,491</u>	<u>2,597,176</u>

**12. CASH AT BANK AND IN HAND**

	2014 £	2013 £
Current account and short term deposit account	773,696	1,202,284
Cash in hand	259	225
	<u>773,955</u>	<u>1,202,509</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**  
**TRADING AS AMGEN CYMRU**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2014**

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

	2014 £	2013 £
Trade creditors	902,265	523,886
Rhondda Cynon Taf County Borough Council royalty	168,664	178,559
Obligations under hire purchase contracts	-	4,831
Amounts due to group undertakings	239,646	110,792
Taxation and social security	1,536,277	1,037,086
Aftercare capping provision (note 16)	236,477	70,000
Accruals and deferred income	255,291	258,052
Other creditors	670	5,408
Loan due to subsidiary undertaking	-	200,000
	<u>3,339,290</u>	<u>2,388,614</u>

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

	2014 £	2013 £
Deferred income – government grants	58,948	159,940
	<u>58,948</u>	<u>159,940</u>

**15. BORROWINGS**

Borrowings are repayable as follows:

	2014 £	2013 £
<b>Hire purchase</b>		
Within one year	-	4,831
	<u>-</u>	<u>4,831</u>

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



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**16. PROVISION FOR LIABILITIES**

	Deferred tax £	Aftercare capping provision £	HMRC Provision £	Total £
At 1 April 2012	51,854	859,459	636,207	1,547,520
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 1 April 2013	75,714	973,102	-	1,048,816
Charged to the profit and loss account	-	192,433	-	192,433
Utilised during the year	(33,845)	(136,374)	-	(170,219)
Provided during year	-	-	-	-
At 31 March 2014	41,869	1,029,161	-	1,071,030

<u>Included within:</u>	2014	2013
	£	£
Creditors due less than one year	236,477	70,000
Provisions for liabilities	834,553	978,816
	<u>1,071,030</u>	<u>1,048,816</u>

**Deferred Tax**

Deferred tax is provided as follows:

	2014	2013
	£	£
Accelerated capital allowances	135,464	141,561
Short-term timing differences	(93,595)	(65,847)
	<u>41,869</u>	<u>75,714</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 (2013 - £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 2014. 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.

In the directors' opinion, the above aftercare capping provision of £1,029,161 falls within the range of £1,000,000 to £1,300,000 and is considered a reliable estimate of the company's exposure to future aftercare costs at the year end.

During the year £166,477 has been reclassified from "provisions for liabilities" to "creditors due in less than one year". This represents the company's commitment and obligation to complete final capping works on landfill cells decommissioned during the year.

**HMRC provision**

The HMRC provision above was released during the prior 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 £8,198 (2013 - £22,924). Included in creditors is £nil (2013 - £nil) in respect of contributions to the scheme.
- b) The pension cost for the defined benefit scheme amounted to £78,275 (2013 - £17,033). Included in creditors is £nil (2013 - £2,838) 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 2014, 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	2014 £	2013 £
2,806,000	Ordinary	£1	<u>2,806,000</u>	<u>2,806,000</u>

**19. RESERVES**

	Profit and loss account £
At 1 April 2013	2,132,483
Loss for the financial year	<u>(458,417)</u>
At 31 March 2014	<u>1,674,066</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:

	2014 £	2013 £
<b>Leases which expire:</b>		
Less than one year	314,209	-
Between one and two years	77,300	379,706
Between two and five years	-	77,300
	<u>391,509</u>	<u>457,006</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 £442,560 to Amgen Environmental Body Limited (2013 - £360,214).

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)).