

Registered No. 2660628

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015
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 2015

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

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2015**

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: 02660628 (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 2015**

The directors present their report with the financial statements of the company for the year ended 31 March 2015.

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.

DIVIDENDS AND TRANSFERS TO RESERVES

The directors do not recommend the payment of a dividend (2014 - £nil). The loss for the financial year of £23,298 (2014 - £458,417) 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 2015.

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: 20/11/15

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

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2015**

BUSINESS REVIEW

The company recognised a loss of £23,298 (2014 - £458,417) 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) continued to develop and revise its waste collection arrangements in order to improve recycling rates. The consequential increase in recycling centre input tonnages continued during 2014/15. Commodity rates and income have also continued to be below the levels which have previously been experienced. The review of the company charging structure in light of these challenges has had the desired positive effect on the reported financial position.

The company continues to experience relatively low landfill volumes. The cell designated Phase 4b is the current operational cell and as of 31 March 2015 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 continue to be a challenge for the company in the new financial year. Whilst the future business operation will doubtlessly change (a further 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 and operation of new Community Recycling Centres;
- Further increases in kerbside recycling;
- Supporting the residual waste disposal arrangements of RCT CBC;
- Further developing the efficiencies of the managed service contract for the Recycling Centre;
- Revised plant and vehicle hire arrangements;
- Continuing to explore and develop commercial operations.

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 and disposal 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: 20/11/15



We have audited the financial statements of Cynon Valley Waste Disposal Company Limited T/A Amgen Cymru for the year ended 31 March 2015 on pages five to seventeen. 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 two, 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 2015 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:

3 DECEMBER 2015

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CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED
TRADING AS AMGEN CYMRU

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2015

		Year ended 31 March 2015	Year ended 31 March 2014
	Notes	£	£
TURNOVER	2	9,316,330	9,090,561
Cost of Sales		<u>(8,524,555)</u>	<u>(8,809,531)</u>
GROSS PROFIT		791,775	281,030
Administrative expenses		<u>(735,415)</u>	<u>(780,259)</u>
OPERATING PROFIT/(LOSS)	4	56,360	(499,229)
Interest receivable and similar income		3,121	2,602
Interest payable and similar charges	5	<u>-</u>	<u>(1,271)</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		59,481	(497,898)
Tax on profit/(loss) on ordinary activities	6	<u>(82,779)</u>	<u>39,481</u>
(LOSS) FOR THE FINANCIAL YEAR		<u><u>(23,298)</u></u>	<u><u>(458,417)</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 above and therefore no separate statement of total recognised gains and losses has been presented.

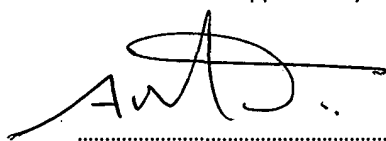
The notes form part of these financial statements

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

BALANCE SHEET
31 MARCH 2015

	Notes	31 March 2015	£	£	31 March 2014	£	£
FIXED ASSETS							
Tangible assets	7			3,588,361		4,540,311	
Investments	8			100		100	
				<u>3,588,461</u>		<u>4,540,411</u>	
CURRENT ASSETS							
Debtors	9		1,912,975		3,398,491		
Cash at bank and in hand	10		<u>1,367,513</u>		<u>773,955</u>		
			<u>3,280,488</u>		<u>4,172,446</u>		
CREDITORS							
Amounts falling due within one year	11		<u>(1,780,717)</u>		<u>(3,339,290)</u>		
NET CURRENT ASSETS				<u>1,499,771</u>		<u>833,156</u>	
TOTAL ASSETS LESS CURRENT LIABILITIES				5,088,232		5,373,567	
CREDITORS							
Amounts falling due after more than one year	12			-		(58,948)	
PROVISIONS FOR LIABILITIES	13			<u>(631,464)</u>		<u>(834,553)</u>	
NET ASSETS				<u>4,456,768</u>		<u>4,480,066</u>	
CAPITAL AND RESERVES							
Called up share capital	15		2,806,000		2,806,000		
Profit and loss account	16		<u>1,650,768</u>		<u>1,674,066</u>		
SHAREHOLDERS' FUNDS				<u>4,456,768</u>		<u>4,480,066</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 20/11/15

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 2015**

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. Notwithstanding the significant changes being experienced in the waste industry generally, the directors are content that the financial statements be prepared on a going concern basis in view of the future developments as detailed in the Strategic Report.

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 19).

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 2015**

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 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
TRADING AS AMGEN CYMRU

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

3. DIRECTORS EMOLUMENTS AND EMPLOYEE INFORMATION

(i) Directors emoluments

	Year ended 31 March 2015 £	Year ended 31 March 2014 £
Directors' emoluments and other benefits	43,092	42,908
	<u>43,092</u>	<u>42,908</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 2015 £	Year ended 31 March 2014 £
Wages and salaries	1,246,651	1,282,081
Social security costs	75,462	96,211
Other pension costs (see note 14)	187,823	86,473
	<u>1,509,936</u>	<u>1,464,765</u>

(iii) Number of employees

The average numbers of employees during the year were:

	Year ended 31 March 2015 Number	Year ended 31 March 2014 Number
By activity:		
Management & Administration	11	11
Landfill Operations	12	12
Recycling Operations	28	28
Transport Operations	5	5
Visitors Centre	1	1
	<u>57</u>	<u>57</u>

Remunerated on the following cycles:

Salaried/Monthly	57	31
Weekly	-	26
	<u>57</u>	<u>57</u>

CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED
TRADING AS AMGEN CYMRU

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

4. OPERATING PROFIT/(LOSS)

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

	Year ended 31 March 2015 £	Year ended 31 March 2014 £
Depreciation of tangible fixed assets – owned assets	1,048,371	969,748
Depreciation of tangible fixed assets – leased assets	4,576	4,577
(Profit)/loss on disposal of tangible fixed assets	(1,900)	1,096
Auditors remuneration	11,021	9,191
Hire of plant and machinery	393,686	397,327
Government grants	<u>(100,992)</u>	<u>(100,992)</u>

5. INTEREST PAYABLE & SIMILAR CHARGES

The interest payable of £nil (£1,271 in 2014) relates to a hire purchase agreement.

6. 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 2015 £	Year ended 31 March 2014 £
Current tax:		
UK corporation tax charge for current year	41,897	(5,636)
Tax rebate relating to previous years	(9,379)	-
Deferred tax (see note 13)	<u>50,261</u>	<u>(33,845)</u>
	<u>82,779</u>	<u>(39,481)</u>

CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED
TRADING AS AMGEN CYMRU

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

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 2015 £	Year ended 31 March 2014 £
Profit/(Loss) on ordinary activities before tax	<u>59,481</u>	<u>(497,898)</u>
Profit/(Loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20.34% (2014 – 20%)	12,098	(99,580)
Effect of:		
Permanent timing differences	110	110
Depreciation in excess of capital allowances	123,692	74,174
Short-term timing differences	-	(5,071)
Non-taxable income	(20,542)	(20,198)
Utilisation of losses	(54,481)	50,565
Group Relief	(18,980)	-
Current tax charge	<u>41,897</u>	<u>-</u>

CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED
TRADING AS AMGEN CYMRU

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

7. TANGIBLE FIXED ASSETS

	Land & Buildings £	Plant & Machinery £	Fixtures & Fittings £	Landfill Phases £	Totals £
COST					
At 1 April 2014	5,045,687	3,828,841	176,894	1,083,046	10,134,468
Additions	-	100,259	738	-	100,997
Disposals	-	(1,000)	-	-	(1,000)
At 31 March 2015	<u>5,045,687</u>	<u>3,928,100</u>	<u>177,632</u>	<u>1,083,046</u>	<u>10,234,465</u>
DEPRECIATION					
At 1 April 2014	3,113,545	2,235,325	137,626	107,661	5,594,157
Charge for year	277,936	405,501	20,578	348,932	1,052,947
Disposals	-	(1,000)	-	-	(1,000)
At 31 March 2015	<u>3,391,481</u>	<u>2,639,826</u>	<u>158,204</u>	<u>456,593</u>	<u>6,646,104</u>
NET BOOK VALUE					
At 31 March 2015	<u>1,654,206</u>	<u>1,288,274</u>	<u>19,428</u>	<u>626,453</u>	<u>3,588,361</u>
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>

Included within Land and Buildings is:

	Freehold Land £	Short Leasehold Land £
COST		
At 1 April 2014 and 31 March 2015	<u>45,533</u>	<u>2,581,000</u>
DEPRECIATION		
At 1 April 2014	19,729	1,277,514
Charge for year	<u>1,358</u>	<u>68,605</u>
At 31 March 2015	<u>21,087</u>	<u>1,346,119</u>
NET BOOK VALUE		
At 31 March 2015	<u>24,446</u>	<u>1,234,881</u>
At 31 March 2014	<u>25,804</u>	<u>1,303,486</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

8. FIXED ASSET INVESTMENTS

The company's investment in Amgen Rhondda Limited is shown at cost of £100 (2014 - £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 2015, Amgen Rhondda Limited continued to carry out comprehensive stewardship services of the site at Nant-y-Gwyddon in accordance with its waste management licence.

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 £	2014 £
Trade debtors	979,599	1,399,293
Amounts due from group undertakings	865,176	1,915,227
Prepayments and accrued income	68,200	83,971
	<u>1,912,975</u>	<u>3,398,491</u>

10. CASH AT BANK AND IN HAND

	2015 £	2014 £
Current account and short term deposit account	1,367,299	773,696
Cash in hand	214	259
	<u>1,367,513</u>	<u>773,955</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 2015

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 £	2014 £
Trade creditors	464,858	902,265
Rhondda Cynon Taf County Borough Council royalty	-	168,664
Amounts due to group undertakings	96,335	239,646
Taxation and social security	759,402	1,536,277
Aftercare capping provision (note 13)	236,477	236,477
Accruals and deferred income	223,645	255,291
Other creditors	-	670
	<u>1,780,717</u>	<u>3,339,290</u>

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2015 £	2014 £
Deferred income – government grants	-	58,948
	<u>-</u>	<u>58,948</u>

CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED
TRADING AS AMGEN CYMRU

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

13. PROVISION FOR LIABILITIES

	Deferred tax £	Aftercare capping provision £	Total £
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 1 April 2014	41,869	1,029,161	1,071,030
Charged to the profit and loss account	50,261	135,004	185,265
Utilised during the year	-	(388,354)	(388,354)
Provided during year	-	-	-
At 31 March 2015	92,130	775,811	867,941

Included within:

	2015 £	2014 £
Creditors due less than one year	236,477	236,477
Provisions for liabilities	631,464	834,553
	<u>867,941</u>	<u>1,071,030</u>

Deferred tax is provided as follows:

	2015 £	2014 £
Accelerated capital allowances	103,920	135,464
Short-term timing differences	(11,790)	(93,595)
	<u>92,130</u>	<u>41,869</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 continued to provide £2 per tonne (2014 - £2 per tonne) of waste tipped at landfill in order to make provision for this obligation.

The aftercare provision is also impacted by tonnage tipped and management are presently reviewing the scenarios associated with a changing business landscape with a view to developing and refining the range of expected obligations in the future – this consideration will include actual capping and restoration costs, future anticipated landfill phases and current assessments of tonnage and cost per tonne.

Whilst this exercise is underway, in the directors' opinion, the aftercare capping provision could fall within the range of £500,000 to £1,500,000 but this could change over time and is largely dependent upon future landfill volumes and timescales. The aftercare provision at the balance sheet date falls within this range which is considered at this time, to be the best estimate of the company's exposure to future aftercare costs and is not inconsistent with the basis upon which an insurance bond has been secured.

CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED
TRADING AS AMGEN CYMRU

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

14. 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 £nil (2014 - £8,198). Included in creditors is £nil (2014 - £nil) in respect of contributions to the scheme.
- b) The pension cost for the defined benefit scheme amounted to £196,492 (2014 - £78,275). Included in creditors is £16,594 (2014 - £nil) 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 2015, 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

Allotted, issued and fully paid

Number	Class	Nominal Value	2015 £	2014 £
2,806,000	Ordinary	£1	<u>2,806,000</u>	<u>2,806,000</u>

16. RESERVES

	Profit and loss account £
At 1 April 2014	1,674,066
Loss for the financial year	<u>(23,298)</u>
At 31 March 2015	<u><u>1,650,768</u></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:

	2015 £	2014 £
Leases which expire:		
Less than one year	162,435	314,209
Between one and two years	-	77,300
	<u><u>162,435</u></u>	<u><u>391,509</u></u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

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 £337,511 to Amgen Environmental Body Limited (2014 - £442,560).

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.

19. 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).