

Registered No. 02660628

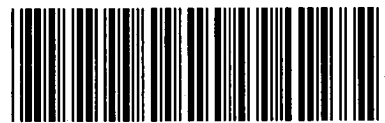
**Cynon Valley Waste Disposal Company Limited
Trading as Amgen Cymru**

Report of the Directors and

Audited Financial Statements

for the Year ended 31 March 2019

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CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED
TRADING AS AMGEN CYMRU

Contents of the Financial Statements
for the Year ended 31 March 2019

	Page
Company Information	1
Report of the Directors	2
Strategic Report	4
Report of the Independent Auditors	6
Income Statement	8
Other Comprehensive Income	9
Balance Sheet	10
Statement of Changes in Equity	11
Notes to the Financial Statements	12
Trading and Profit and Loss Account	30

CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED
TRADING AS AMGEN CYMRU

Company Information
for the Year ended 31 March 2019

DIRECTORS:

N Wheeler
B J Davies (Appointment terminated 10th March, 2019)
D P Griffiths (Appointment commenced 11th March, 2019)

SECRETARY:

B J Davies (Appointment terminated 10th March, 2019)
D P Griffiths (Appointment commenced 11th March, 2019)

REGISTERED OFFICE:

Bryn Pica
Llwydcoed
Aberdare
Rhondda Cynon Taf
CF44 0BX

REGISTERED NUMBER:

02660628 (England and Wales)

AUDITORS:

Baldwins Audit Services
Statutory Auditors
Ty Derw
Lime Tree Court
Cardiff Gate Business Park
Cardiff
CF23 8AB

CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED
TRADING AS AMGEN CYMRU

Report of the Directors
for the Year ended 31 March 2019

The directors present their report with the financial statements of the company for the Year ended 31 March 2019.

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 (2018 - £nil). The loss for the financial year of £151,542 (2018 – £80,103) will be transferred from reserves.

DIRECTORS

N Wheeler has held office during the whole of the period from 1 April 2018 to the date of this report:

B J Davies held office from 1 April 2018 until the termination of his appointment on 10th March, 2019.

D P Griffiths held office from 11th March, 2019 to the date of this report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (Financial Reporting Standard 102 and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED
TRADING AS AMGEN CYMRU

Report of the Directors
for the Year ended 31 March 2019

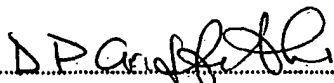
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors Baldwins Audit Services will be proposed for re-appointment at the forthcoming annual general meeting in accordance with Section 485 of the Companies Act 2006.

ON BEHALF OF THE BOARD:


.....
D P Griffiths - Secretary

Date: 17/10/19

CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED

TRADING AS AMGEN CYMRU

Strategic Report **for the Year ended 31 March 2019**

BUSINESS REVIEW

The company recognised a loss on ordinary activities of £151,542 (2018 - £80,103) during the year. The company has no external lending and meets its day-to-day working capital requirements through cash generated from operations only.

In line with the requirement of Financial Reporting Standard (FRS) 102, changes in the fixed asset revaluation surplus and adjustments in respect of actuarial valuation have impacted on the financial statements. These adjustments, along with the loss on ordinary activities, resulted in an increase in retained earnings of £141k.

During the year, the company's primary customer (RCT CBC) continued to develop and revise its waste collection and disposal arrangements in order to improve recycling rates. The consequential reductions in landfill and increase in recycling centre input tonnages continued during 2018/19. Commodity rates and income continue to be volatile notwithstanding the new contractual arrangements which have been put in place which provided a benefit in 2018/19.

The company continues to experience relatively low landfill volumes. It was the company's original intention to commence landfilling material in the new cell (designated 5A) in November 2018. However, there was a delay due to various technical problems encountered during the construction phase. The aim now is for the cell to be fully operational in August 2019. To meet existing landfill requirements, a contingency plan is in place which uses the settlement from previous cells which will be sufficient until the new cell comes into being. The directors monitor the void on a continual basis, in order to future proof the business activity.

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, development and operation of 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;
- Ongoing review of plant and vehicle requirements;
- Continuing to explore and develop commercial operations;
- Research and development of innovative and sustainable waste management solutions;
- Development of an eco-park at Bryn Pica that has progressed to outline planning stage;
- Working in collaboration with the shareholder to install state of the art technology to enable dry mixed recycling to be processed in a more efficient and effective manner and the exploration of any commercial opportunities this may provide;
- Working in collaboration with the shareholder to provide an education centre which will be a key recycling awareness tool for future generations.

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.

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

**Strategic Report
for the Year ended 31 March 2019**

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.

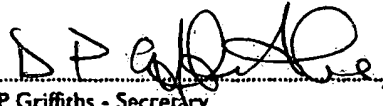
Liquidity Risk

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:


.....
D P Griffiths - Secretary

Date: 17/10/19
.....

**Report of the Independent Auditors to the Members of
Cynon Valley Waste Disposal Company Limited Trading as Amgen Cymru**

Opinion

We have audited the financial statements of Cynon Valley Waste Disposal Limited (the 'company') for the year ended 31 March 2019 which comprise the Income Statement, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

**Report of the Independent Auditors to the Members of
Cynon Valley Waste Disposal Company Limited Trading as Amgen Cymru**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' Report and take advantage of the small companies exemption from the requirement to prepare a Strategic Report.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

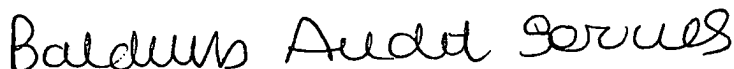
Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

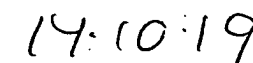
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Amanda Kruger (Senior Statutory Auditor)
for and on behalf of Baldwins Audit Services**


.....

Accountants

Statutory Auditor

Ty Derw
Lime Tree Court
Cardiff Gate Business Park
Cardiff
CF23 8AB

CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED
TRADING AS AMGEN CYMRU

Income Statement
for the Year ended 31 March 2019

		Year ended: 31/3/19	Year ended: 31/3/18
	Notes	£	£
TURNOVER		9,741,807	9,058,180
Cost of Sales		<u>(8,786,138)</u>	<u>(8,212,942)</u>
GROSS PROFIT		955,669	845,238
Administrative expenses		<u>(1,030,150)</u>	<u>(856,080)</u>
OPERATING LOSS	3	(74,481)	(10,842)
Interest payable		<u>(29,100)</u>	<u>(36,926)</u>
Interest receivable		<u>16,956</u>	<u>6,681</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(86,625)	(41,087)
Tax on loss on ordinary activities	5	<u>(64,917)</u>	<u>(39,016)</u>
LOSS FOR THE FINANCIAL YEAR		<u>(151,542)</u>	<u>(80,103)</u>

The notes form part of these financial statements

CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED
TRADING AS AMGEN CYMRU

Other Comprehensive Income
for the Year ended 31 March 2019

	Year ended: 31/3/19	Year ended: 31/3/18
	£	£
LOSS FOR THE YEAR	(151,542)	(80,103)
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified to profit or loss:		
Changes in fixed asset revaluation surplus	117,698	117,780
Actuarial losses on pension scheme liabilities	(26,000)	(14,000)
Current year deferred tax adjustment	(35,870)	(9,520)
Remeasurement gains on pension scheme asset	<u>237,000</u>	<u>70,000</u>
OTHER COMPREHENSIVE INCOME		
FOR THE YEAR, NET OF INCOME		
TAX	<u>292,828</u>	<u>164,260</u>
TOTAL COMPREHENSIVE INCOME		
FOR THE YEAR	<u>141,286</u>	<u>84,157</u>

The notes form part of these financial statements

CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED (REGISTERED NUMBER: 02660628)
TRADING AS AMGEN CYMRU

Balance Sheet
31 March 2019

	Notes	2019 £	2018 £
FIXED ASSETS			
Tangible assets	6	2,916,476	3,509,511
Assets under construction	7	472,485	26,987
Investments	8	<u>100</u>	<u>100</u>
		3,389,061	3,536,598
CURRENT ASSETS			
Debtors	9	1,499,730	1,480,851
Cash at bank	10	<u>4,651,834</u>	<u>3,877,333</u>
		6,151,564	5,358,184
CREDITORS			
Amounts falling due within one year	11	<u>(2,298,668)</u>	<u>(1,618,193)</u>
NET CURRENT ASSETS		3,852,896	3,739,991
TOTAL ASSETS LESS CURRENT LIABILITIES		7,241,957	7,276,589
NON-CURRENT LIABILITIES			
Pension liability	15	(719,000)	(712,000)
Finance lease obligation	12	(167,576)	(295,106)
PROVISIONS FOR LIABILITIES	14	<u>(1,200,076)</u>	<u>(1,137,766)</u>
NET ASSETS		5,155,305	5,131,717
CAPITAL AND RESERVES			
Called up share capital	16	2,806,000	2,806,000
Revaluation reserve	17	929,052	1,046,750
Retained earnings	18	<u>1,420,253</u>	<u>1,278,967</u>
SHAREHOLDERS' FUNDS		5,155,305	5,131,717

The financial statements were approved by the Board of Directors on 17th October 19 and were signed on its behalf by:



N Wheeler - Director

The notes form part of these financial statements

CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED (REGISTERED NUMBER: 02660628)
TRADING AS AMGEN CYMRU

Statement of Changes in Equity
For the Year ended 31 March 2019

	Called up share capital £	Retained earnings £	Revaluation reserve £	Total equity £
Balance at 31 March 2017	2,806,000	1,194,810	1,164,530	5,165,340
Changes in equity				
Changes in revaluation reserve	-	-	(117,780)	(117,780)
Total comprehensive income	-	84,157	-	84,157
Balance at 31 March 2018	2,806,000	1,278,967	1,046,750	5,131,717
Changes in equity				
Changes in revaluation reserve	-	-	(117,698)	(117,698)
Total comprehensive income	-	141,286	-	141,286
Balance at 31 March 2019	2,806,000	1,420,253	929,052	5,155,305

The notes form part of these financial statements

CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED
TRADING AS AMGEN CYMRU

Notes to the Financial Statements
for the Year ended 31 March 2019

I. ACCOUNTING POLICIES

Statement of compliance

The individual financial statements of Cynon Valley Waste Disposal Company Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of certain financial assets and liabilities measured at fair value through the Income Statement.

The directors have considered the future trading position of the company, and based on actual trading results since the year end, are confident that the going concern principle can be applied to the financial statements.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in the critical accounting judgement and estimating uncertainty.

Preparation of consolidated financial statements

The company's immediate parent holds 100% of the allotted shares in the entity, and notice requesting the preparation of consolidated financial statements has not been served on the entity by its shareholders. The company is included in the consolidated financial statements of 31st March 2019 which are publicly available. Therefore the company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements.

These financial statements represent those of the company alone.

Financial reporting standard 102 – reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirement of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirement of Section 33 Related Party Disclosures paragraph 33.7.

Foreign currency

The company's functional presentational currency is the pound sterling.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for rebates and other similar allowances. This principle applies to:

- 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)

CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED
TRADING AS AMGEN CYMRU

Notes to the Financial Statements - continued
for the Year ended 31 March 2019

I. ACCOUNTING POLICIES - continued

Employee benefits

The company provides a range of benefits to employees, including paid holiday arrangements and defined benefit pension plans.

(i) Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised in the period in which the service is received.

(ii) Defined benefit pension plans

The company operates a defined benefit plan for its employees. A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. Obligations are measured at discounted present value whilst plan assets are recorded at fair value. The liability recognised in the balance sheet in respect of defined benefit pension plans is the net of the plan obligations and assets. No allowance is made in the past service liability in respect of either the future expenses of running the scheme or for non-service related death in service benefits which may arise in the future. The operating costs of the plans are charged to operating profit as part of the management charge payable to Rhondda Cynon Taf County Borough Council and the finance costs are recognised as financial income or expense as appropriate. Service costs are spread systematically over the lives of employees and financing costs are recognised in the periods in which they arise. Actuarial gains and losses are recognised immediately directly to equity.

Exceptional items

The company classifies certain one-off charges or credits that have a material impact on the company's financial results as 'exceptional items'. These are disclosed separately in the notes to provide further understanding of the financial position and the financial performance of the company.

Taxation

The taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

(i) Current Tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years, tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect of situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(ii) Deferred Tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the time difference.

CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED
TRADING AS AMGEN CYMRU

Notes to the Financial Statements - continued
for the Year ended 31 March 2019

I. ACCOUNTING POLICIES – continued

Tangible fixed assets

Tangible assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use.

(i) Depreciation and residual values

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 held under finance leases are depreciated in the same way as owned assets.

At each balance sheet date, the company reviews the carrying amount of its tangible fixed assets to determine whether there is any indication that any items have suffered an impairment loss. If any such indication exists, the recoverable amount of an asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of the asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(ii) Subsequent additions

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that economic benefits associated will flow. Subsequent additions to the company are depreciated separately over the useful life of the asset in question.

Repairs and maintenance costs are expensed as incurred.

(iii) Derecognition

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the Income Statement.

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.

Investment

Investment in subsidiaries are accounted for at cost less impairment.

Leased assets

At inception, the company assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

(i) Finance leased assets

Leases of assets that transfer substantially all the risks and rewards incidental to ownership are classified as finance leases.

CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED
TRADING AS AMGEN CYMRU

Notes to the Financial Statements - continued
for the Year ended 31 March 2019

I. ACCOUNTING POLICIES - continued

Finance leases are capitalised at commencement of the lease as assets at the fair value of the leased asset or, if lower, the present value of the minimum lease payments calculated using the interest rate implicit in the lease. Where the implicit rate cannot be determined, the company's incremental borrowing rate is used. Incremental direct costs incurred in negotiating and arranging the lease, are included in the cost of the asset.

Assets are depreciated over the shorter of the lease term and the estimated useful life of the asset. Assets are assessed for impairment at each reporting date.

The capital element of the lease obligation is recorded as a liability on inception of the arrangement. Lease payments are apportioned between capital repayment and finance charge, using the effective interest rate method, to produce a constant rate of charge on the balance of the capital repayments outstanding.

(ii) Operating leased assets

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the Income Statement on a straight-line basis over the period of the lease.

(iii) Lease incentives

Incentives received to enter into a finance lease reduce the fair value of the asset and are included in the calculation of the present value of minimum lease payments.

Incentives received to enter into an operating lease are credited to the Income Statement, to reduce the lease expenses, on a straight-line basis over the period of the lease.

The company has taken advantage of the exemption in respect of lease incentives on leases in existence as at the date of transition to FRS 102 (1 April 2014) and continues to credit such lease incentives to the profit and loss account over the period of the lease.

Impairment of non-financial assets

At each balance sheet date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset (or the asset's cash generating unit) may be impaired. If there is such an indication, the recoverable amount of the asset's (or the asset's cash generating unit) is compared to the carrying amount (or the asset's cash generating unit).

The recoverable amount for the asset (or the asset's cash generating unit) is the higher of the fair value of the future cash flows before interest and tax obtainable as a result of the asset's (or the asset's cash generating unit) continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset (or the asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount.

If an impairment loss is subsequently reversed, the carrying amount of the asset (or the asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an unimpaired loss is recognised in the Income Statement.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, and overdrafts. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED
TRADING AS AMGEN CYMRU

Notes to the Financial Statements - continued
for the Year ended 31 March 2019

I. ACCOUNTING POLICIES - continued

Provisions and contingencies

(i) Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect of any one item included in the same class of obligations may be small.

Provisions are not made for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passing of time is recognised as a finance cost.

(ii) Contingencies

Contingent liabilities are not recognised. Contingent liabilities arise as a result of past events when (i) it is not probable that there will be an outflow of resources or that the amounts cannot be reliably measured at the report date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the company's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resource is remote.

Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when an inflow of future economic benefits is probable.

Financial instruments

The company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial Assets

Basic financial assets, including trade and other receivables, cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the Income Statement.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the Income Statement.

Other financial assets are initially measured at fair value, which is normally the transaction price.

Such assets are subsequently carried at fair value and the changes in fair value are recognised in the Income Statement.

CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED
TRADING AS AMGEN CYMRU

Notes to the Financial Statements - continued
for the Year ended 31 March 2019

I. ACCOUNTING POLICIES - continued

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial Liabilities

Basic financial liabilities, including trade and other payables, bank loans, and loans from fellow group companies are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest rate method.

Financial liabilities are derecognised when the liability is extinguished. This is when the contractual obligation is discharged, cancelled or expires.

The company does not hold any non basic financial instruments.

(iii) Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Dividends to equity shareholders

Dividends and other distributions to the company's shareholder are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the company's shareholders. These amounts are recognised in the statements of changes in equity.

Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experiences and other factors including expectations of future events that are believed to be reasonable under the circumstances.

In the application of the Company's accounting policies, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key sources of estimation uncertainty that have significant affect on the amounts recognised in the financial statements are described below:

CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED
TRADING AS AMGEN CYMRU

Notes to the Financial Statements - continued
for the Year ended 31 March 2019

1. ACCOUNTING POLICIES – continued

(i) Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 6 for the carrying amount of the property, plant and equipment, and above for the useful economic lives for each class of assets.

(ii) Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing the impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 9 for the net carrying amount of the debtors and associated impairment provision.

(iii) Value of aftercare provision

The company makes an estimate of future costs associated with the closure of the landfill site and the aftercare costs in relation to monitoring the closed site, gas management, maintenance and security costs of the closed site and leachate disposal costs post closure in order to arrive at a valuation for the aftercare provision. See note 14 for the net carrying amount of the aftercare provision.

2. STAFF COSTS

	Year ended: 31/3/19 £	Year ended: 31/3/18 £
Wages and salaries	1,304,724	1,291,146
National Insurance	117,617	115,815
Other pension costs (see note 15)	<u>184,214</u>	<u>183,384</u>
	<u>1,606,555</u>	<u>1,590,345</u>

The average monthly number of employees during the period was as follows:

	Year ended: 31/3/19	Year ended: 31/3/18
Management & Administration	9	9
Landfill Operations	11	10
Recycling Operations	25	27
Transport Operations	<u>8</u>	<u>10</u>
	<u>53</u>	<u>56</u>

The average number of persons employed by the company (including directors) during the year was 53 (2018: - 56).

Key management includes the directors and members of senior management the compensation paid or payable to key management for employee services is £28,004 (2018: £39,745). 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.

CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED
TRADING AS AMGEN CYMRU

Notes to the Financial Statements - continued
for the Year ended 31 March 2019

3. OPERATING LOSS

The operating loss is stated after charging:

	Year ended: 31/3/19 £	Year ended: 31/3/18 £
Depreciation of tangible fixed assets – owned assets	476,627	517,161
Depreciation of tangible fixed assets – leased assets	169,632	168,852
(Profit)/Loss on disposal	(1,633)	9,851
Auditors remuneration	11,867	11,976
Hire of plant and machinery	<u>273,753</u>	<u>251,678</u>

4. AUDITORS' REMUNERATION

The remuneration of the auditors is further analysed as follows:

	Year ended: 31/3/2019 £	Year ended: 31/3/2018 £
Audit of the financial statements	10,000	9,700
Taxation compliance services	1,185	1,250
Other non-audit services	<u>682</u>	<u>1,026</u>
	<u>11,867</u>	<u>11,976</u>

5. TAXATION

Analysis of the tax charge

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

	Year ended: 31/3/19 £	Year ended: 31/3/18 £
Current tax:		
UK corporation tax charge for current year	42,011	107,894
Prior year corporation tax adjustment	-	-
Prior year deferred tax adjustment	-	(68,878)
Deferred Tax (see note 14)	<u>22,906</u>	<u>-</u>
Tax on loss on ordinary activities	<u>64,917</u>	<u>39,016</u>

(b) Reconciliation of total tax charge included in Income Statement

The tax assessed for the period is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	Year ended: 31/3/19 £	Year ended: 31/3/18 £
Loss on ordinary activities before tax	<u>(86,625)</u>	<u>(41,087)</u>
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2018 – 19%)	<u>(16,459)</u>	<u>(7,807)</u>

CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED
TRADING AS AMGEN CYMRU

Notes to the Financial Statements - continued
for the Year ended 31 March 2019

5. TAXATION - continued

Effects of:		
Impact of rate changes	(2,695)	8,104
Non-deductible expenses	84,071	38,719
Prior year adjustments		-
	<u>64,917</u>	<u>39,016</u>
Total tax charge		

(c) The tax rate for the current and prior period was 19%

6. TANGIBLE FIXED ASSETS

	Land & Buildings £	Plant & Machinery £	Fixtures & Fittings £	Landfill Phases £	Totals £
COST					
At 1 April 2018	3,142,720	4,941,465	193,440	1,083,046	9,360,671
Additions	-	30,535	-	-	30,535
Reclassifications	-	22,854	-	-	22,854
Disposals	-	(40,856)	-	-	(40,856)
At 31 March 2019	<u>3,142,720</u>	<u>4,953,998</u>	<u>193,440</u>	<u>1,083,046</u>	<u>9,373,204</u>
DEPRECIATION					
At 1 April 2018	815,124	3,896,347	180,604	959,085	5,851,160
Charge for year	203,777	314,377	4,141	123,961	646,256
Disposals	-	(40,688)	-	-	(40,688)
At 31 March 2019	<u>1,018,901</u>	<u>4,170,036</u>	<u>184,745</u>	<u>1,083,046</u>	<u>6,456,728</u>
NET BOOK VALUE					
At 31 March 2019	<u>2,123,819</u>	<u>783,962</u>	<u>8,695</u>	-	<u>2,916,476</u>
At 31 March 2018	<u>2,327,596</u>	<u>1,045,118</u>	<u>12,836</u>	<u>123,961</u>	<u>3,509,511</u>

Included within Land and Buildings is:

	Freehold Land £	Short Leasehold Land £
COST		
At 1 April 2018 and 31 March 2019	<u>589,400</u>	<u>948,614</u>
DEPRECIATION		
At 1 April 2018	-	199,708
Charge for year	-	<u>49,927</u>
At 31 March 2019	-	<u>249,635</u>
NET BOOK VALUE		
At 31 March 2019	<u>589,400</u>	<u>698,979</u>
At 31 March 2018	<u>589,400</u>	<u>748,906</u>

CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED
TRADING AS AMGEN CYMRU

Notes to the Financial Statements - continued
for the Year ended 31 March 2019

6. TANGIBLE FIXED ASSETS - continued

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	Year ended: 31/3/19 £	Year ended: 31/3/18 £
Plant & Machinery	<u>266,255</u>	<u>385,960</u>

Depreciation has been charged during the year amounting to £119,705 (2018: £119,705) on assets acquired on hire purchase.

The valuation applied to the land and building asset category only and was carried out by Mr. Christopher Lockwood BSc. MRICS MIQ and Paul Marsh BSc. MRICS of GVA Grimley Ltd. The total revalued amount for the category is £3,142,720.

7. ASSETS UNDER CONSTRUCTION

	Weighbridge	Landfill Phase 5	CRC Compactors £	Water Tank £	Totals £
COST					
At 1 April 2018	9,525	17,462	-	-	26,987
Additions	13,329	390,965	45,413	18,645	468,352
Reclassifications	(22,854)	-	-	-	(22,854)
At 31 March 2019	<u>-</u>	<u>408,427</u>	<u>45,413</u>	<u>18,645</u>	<u>472,485</u>

8. FIXED ASSET INVESTMENTS

	Investment in Subsidiary Company £
Cost or valuation	
At 1 April 2018	<u>100</u>
At 31 March 2019	<u>100</u>
At 31 March 2018	<u>100</u>
Subsidiary undertakings	

The following were subsidiary undertakings of the Company:

Amgen Rhondda Limited
 Stewardship services of closed landfill site

Class of shares:	% holding
Ordinary Shares	100.00

CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED
TRADING AS AMGEN CYMRU

Notes to the Financial Statements - continued
for the Year ended 31 March 2019

8. FIXED ASSET INVESTMENTS - continued

	2019	2018
	£	£
Aggregate capital and reserves	207,238	182,906
Profit for the year	<u>24,332</u>	<u>18,126</u>

During the year ended 31 March 2019, 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

	2019	2018
	£	£
Trade debtors	585,523	523,445
Amounts owed by group undertakings	790,960	776,288
Other debtors	-	135,226
Prepayments and accrued income	<u>123,247</u>	<u>45,892</u>
	<u>1,499,730</u>	<u>1,480,851</u>

Trade debtors are stated after provisions for impairment of £0 (2018: £83,595).

Amounts owed by group undertakings are wholly invoices for services rendered by the company which are repayable in line with the company's credit terms.

10. CASH AT BANK AND IN HAND

	2019	2018
	£	£
Current account and short term deposit account	4,651,675	3,877,130
Cash in hand	<u>159</u>	<u>203</u>
	<u>4,651,834</u>	<u>3,877,333</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. The short term deposit account is administered by the parent company's treasury management section in line with their treasury management policy.

CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED
TRADING AS AMGEN CYMRU

Notes to the Financial Statements - continued
for the Year ended 31 March 2019

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Trade creditors	659,776	476,321
Amounts due to group undertakings	617,462	430,512
Taxation and national insurance	851,429	584,503
Aftercare capping provision (note 14)	60,000	60,000
Accruals and deferred income	<u>110,001</u>	<u>66,857</u>
	<u>2,298,668</u>	<u>1,618,193</u>

Amounts due to group undertakings are wholly invoices for goods and services rendered by the group companies which the company has to repay in line with their credit terms.

12. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	2019 £	2018 £
Net obligations repayable:		
Within one year	127,530	119,155
Between one and five years	<u>167,576</u>	<u>295,106</u>
	<u>295,106</u>	<u>414,261</u>

13. SECURED DEBTS

The following secured debts are included within creditors:

	2019 £	2018 £
Hire purchase contracts and finance leases	<u>295,106</u>	<u>414,261</u>
	<u>295,106</u>	<u>414,261</u>

Obligation under finance lease and hire purchase contracts are secured on the asset to which they relate.

CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED
TRADING AS AMGEN CYMRU

Notes to the Financial Statements - continued
for the Year ended 31 March 2019

14. PROVISION FOR LIABILITIES

	Deferred tax £	Aftercare capping provision £	Total £
At 1 April 2017	(75,868)	1,221,599	1,145,731
Charged to the profit and loss account	(59,358)	38,762	(20,596)
Charged to retained earnings	-	-	-
Utilised during the year	-	(62,595)	(62,595)
Provided during year	-	-	-
At 1 April 2018	(135,226)	1,197,766	1,062,540
Charged to the profit and loss account	22,906	141,810	164,716
Charged to retained earnings	35,870	-	35,870
Utilised during the year	-	(3,050)	(3,050)
Provided during year	-	-	-
At 31 March 2019	(76,450)	1,336,526	1,260,076

Included within:	2019 £	2018 £
Other debtors	(76,450)	(135,226)
Creditors due less than one year	60,000	60,000
Provisions for liabilities	<u>1,276,526</u>	<u>1,137,766</u>
	<u>1,260,076</u>	<u>1,062,540</u>

Deferred tax is provided as follows:	2019 £	2018 £
Accelerated capital allowances	68,554	(11,645)
Short-term timing differences	<u>(145,004)</u>	<u>(123,581)</u>
	<u>(76,450)</u>	<u>(135,226)</u>

Aftercare capping provision

The company is required by the shareholders agreement to provide for future aftercare costs such as landfill capping and restoration.

The aftercare provision is also impacted by tonnage tipped and management are continuously reviewing the scenarios associated with a changing business landscape with consideration to actual capping and restoration costs, future anticipated landfill phases and current assessments of tonnage and cost per tonne.

In the directors' opinion, the aftercare capping provision could fall within the range of £1,200,000 to £1,850,000 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.

CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED
TRADING AS AMGEN CYMRU

Notes to the Financial Statements - continued
for the Year ended 31 March 2019

15. EMPLOYEE BENEFIT OBLIGATIONS

The company contributes into the Rhondda Cynon Taf County Borough Council Pension Fund which is part of the Local Government Pension Scheme ("LGPS"). The LGPS is a funded defined benefit career average scheme for service accrued post 2014, having previously been based on final salary. The change was part of the Government's attempts to assure the long term affordability of the scheme.

The level of contributions by the company is determined by a qualified actuary (AON Hewitt) on the basis of triennial valuations (in compliance with the Local Government Pension Scheme (Administration) Regulations 2008). The most recent valuation was as at 31 March, 2016. Liabilities have been estimated by the independent qualified actuary on an actuarial basis using the projected unit credit method.

The employer's regular contributions to the fund for the annual accounting period to 31 March, 2019 are estimated to be £184,223 (2018: £182,000). Additional contributions may also become due in respect of any employer discretions to enhance members' benefits in the Fund over the next accounting period.

The Board of Directors continue to monitor the risks associated with the pension scheme.

The amounts recognised in the statement of financial position are as follows:-

	Defined benefit pension plans	
	2019	2018
	£	£
Present value of funded obligations	(4,378,000)	(3,861,000)
Fair value of plan assets	<u>3,659,000</u>	<u>3,149,000</u>
	(719,000)	(712,000)
Present value of unfunded obligations	<u>-</u>	<u>-</u>
Deficit	<u>(719,000)</u>	<u>(712,000)</u>
Net liability	<u>(719,000)</u>	<u>(712,000)</u>

The amount recognised in surplus or deficit is as follows:

	Defined benefit pension plans	
	2019	2018
	£	£
Current service cost	385,000	380,000
Net interest from net defined benefit asset/liability	<u>17,000</u>	<u>12,000</u>
	<u>402,000</u>	<u>392,000</u>
Actual return on plan assets	<u>-</u>	<u>-</u>

CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED
TRADING AS AMGEN CYMRU

Notes to the Financial Statements - continued
for the Year ended 31 March 2019

15. EMPLOYEE BENEFIT OBLIGATIONS - continued

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	2019	2018
	£	£
Opening defined benefit obligation	3,861,000	3,359,000
Current service cost	385,000	380,000
Contributions by scheme participants	77,000	77,000
Interest cost	101,000	88,000
Benefits paid	(72,000)	(57,000)
Remeasurements:		
Actuarial losses – on liabilities	26,000	14,000
Past Service cost	-	-
	<u>4,378,000</u>	<u>3,861,000</u>

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	2019	2018
	£	£
Opening fair value of scheme assets	3,149,000	2,801,000
Contributions by employer	184,000	182,000
Contributions by scheme participants	77,000	77,000
Interest income	84,000	76,000
Remeasurement gain on assets	237,000	70,000
Benefits paid	(72,000)	(57,000)
	<u>3,659,000</u>	<u>3,149,000</u>

The amounts recognised in other comprehensive income are as follows:

	Defined benefit pension plans	
	2019	2018
	£	£
Actuarial gains on liabilities	(26,000)	(14,000)
Remeasurement gains on asset	237,000	70,000
	<u>211,000</u>	<u>56,000</u>

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	Defined benefit pension plans	
	2019	2018
Equities	64.5%	74.8%
Government bonds	13.5%	8.5%
Corporate bonds	11.6%	9.4%
Property	6.9%	5.4%
Cash/other	3.5%	2.1%
	<u>100.00%</u>	<u>100.00%</u>

CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED
TRADING AS AMGEN CYMRU

Notes to the Financial Statements - continued
for the Year ended 31 March 2019

15. EMPLOYEE BENEFIT OBLIGATIONS (continued)

Principal actuarial assumptions at the statement of financial position date (expressed as weighted averages):

	2019	2018
Discount rate	2.5%	2.6%
Rate of increase to pensions in payment	2.1%	2.0%
Rate of general increase in salaries	3.35%	3.25%
Pension accounts revaluations rate	2.1%	2.0%

The mortality assumptions are based on the recent actual mortality experience by members within the Fund and allow for expected future mortality improvements.

Assumed life expectancy at age 65		
Future lifetime from age 65 (aged 65 at accounting date):	2019	2018
- Male	22.2	22.9
- Female	24.1	25.0
Future lifetime from age 65 (aged 45 at accounting date):		
- Male	23.9	25.1
- Female	25.9	27.3

Sensitivity Analysis

The sensitivities below consider the impact of the single change shown, with the other assumptions remaining unchanged.

Discounted rate assumption

Adjustment to discount rate	+0.1%	-0.1%
Present value of total obligation (£M's)	4.284	4.474
% change in present value of obligation	(2.2%)	2.2%
Projected service cost (£M's)	0.389	0.418
Approximate % change in projected service cost	(3.5%)	3.6%

Rate of general increase in salaries

Adjustment to salary increase rate	+0.1%	-0.1%
Present value of total obligation (£M's)	4.404	4.352
% change in present value of obligation	0.6%	(0.6%)
Projected service cost (£M's)	0.403	0.403
Approximate % change in projected service cost	0.0%	0.0%

Rate of increase to pensions in payment and deferred pensions assumptions, and rate of revaluation of pension accounts assumption

Adjustment to pension increase rate	+0.1%	-0.1%
Present value of total obligation (£M's)	4.448	4.309
% change in present value of obligation	1.6%	(1.6%)
Projected service cost (£M's)	0.418	0.389
Approximate % change in projected service cost	3.6%	(3.5%)

Post retirement mortality assumption

Adjustment to mortality age rating assumption	-1 year	+1 year
Present value of total obligation (£M's)	4.516	4.241
% change in present value of obligation	3.1%	(3.1%)
Projected service cost (£M's)	0.418	0.388
Approximate % change in projected service cost	3.8%	(3.7%)

CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED
TRADING AS AMGEN CYMRU

Notes to the Financial Statements - continued
for the Year ended 31 March 2019

16. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number	Class	Nominal Value	2019 £	2018 £
2,806,000	Ordinary	£1	<u>2,806,000</u>	<u>2,806,000</u>

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

17. RESERVES

	Retained earnings £	Revaluation reserve £	Total £
At 1 April 2018	1,278,967	1,046,750	2,325,717
Transfer from revaluation reserve	117,698	(117,698)	-
Deferred tax adjustments	(35,870)	-	(35,870)
Actuarial losses on liabilities	(26,000)	-	(26,000)
Remeasurement gains on asset	237,000	-	237,000
Loss for the financial year	<u>(151,542)</u>	<u>-</u>	<u>(151,542)</u>
At 31 March 2019	<u>1,420,253</u>	<u>929,052</u>	<u>2,349,305</u>

18. CONTROLLING PARTIES

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) or upon request by writing to Final Accounts Team, Bronwydd House, Porth, Rhondda, CF39 9DL.

19. RELATED PARTY DISCLOSURES

The company has taken advantage of the exemption permitted by section 33 of FRS 102 'Related Party Disclosures' and does not disclose transactions with other wholly owned entities within the group that are eliminated on consolidation.

Nigel Wheeler, Barrie Davies (Appointment terminated 10th March, 2019) and David Paul Griffiths (Appointment commenced 11th March, 2019) 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.

CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED
TRADING AS AMGEN CYMRU

Notes to the Financial Statements - continued
for the Year ended 31 March 2019

20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2019	2018
	£	£
Loss for the financial period	(151,542)	(80,103)
Current year deferred tax adjustment	(35,870)	(9,520)
Actuarial losses on pension scheme liabilities	(26,000)	(14,000)
Remeasurement gains on pension scheme asset	<u>237,000</u>	<u>70,000</u>
Net addition to shareholders' funds	<u>23,588</u>	<u>(33,623)</u>
Opening shareholders' funds	<u>5,131,717</u>	<u>5,165,340</u>
Closing shareholders' funds	<u>5,155,305</u>	<u>5,131,717</u>

21. GENERAL INFORMATION

Cynon Valley Waste Disposal Company Limited's principal activity is provision of recycling services and waste disposal facilities. The company is a private company limited by shares and is incorporated and domiciled in Wales. Its registered office is Bryn Pica, Llwydcoed, Aberdare, Rhondda Cynon Taf, CF44 0BX.

The financial statements are presented in Sterling, which is the functional currency of the company.

22. POST BALANCE SHEET EVENTS

On the 16th October, 2018, the shareholder, Rhondda Cynon Taf County Borough Council as the parent undertaking, agreed a funding package for the investment in state of the art modern technology to enable the Council's recycling to be processed in a more efficient and effective manner, and for the contract award process to be completed. The investment is to be funded from a combination of Council and Amgen Cymru contributions. At the date of signing of these financial statements, the construction and installation of the new facility is at an advanced stage. The existing plant and equipment were decommissioned in May 2019 as part of the upgrade of the facility.