

Registered No. 2660628

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012
FOR
CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED
T/A AMGEN CYMRU**

FRIDAY



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

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FOR THE YEAR ENDED 31 MARCH 2012**

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

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2012**

DIRECTORS: A D Maddox
N Wheeler
B J Davies
W K Lewis (Appointment terminated 5th May, 2011)

SECRETARY: B J Davies

REGISTERED OFFICE: Bryn Pica
Llwydcoed
Aberdare
Rhondda Cynon Taf
CF44 0BX

REGISTERED NUMBER: 2660628 (England and Wales)

AUDITORS: KTS OWENS THOMAS LIMITED
Chartered Accountants and Registered Auditors
The Counting House
Celtic Gateway
Cardiff
CF11 0SN

BANKERS: Barclays Bank plc
Pontypridd Business Centre
91 Taff Street
Pontypridd

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

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2012**

The directors present their report with the financial statements of the company for the year ended 31 March 2012

PRINCIPAL ACTIVITY

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

BUSINESS REVIEW

The company recognised a profit of £10,406 (2011 - £464,022) during the year. The company has no external debts and meets its day-to-day working capital requirements through cash generated from operations only.

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

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

The new cell designated Phase 4a (being fully compliant with current Environment Agency standards and specifications) became operational during the year and as of March 2012 provides sufficient void space for a further 12-18 months (subject to landfill volumes).

FUTURE DEVELOPMENTS

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

FINANCIAL RISK MANAGEMENT

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

Price Risk

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

Credit Risk

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

Liquidity Risk

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

Interest Rate/Cash Flow Risk

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

DIVIDENDS AND TRANSFERS TO RESERVES

The directors do not recommend the payment of a dividend (2011 - £nil). The profit for the financial year of £10,406 (2011 - £464,022) will be transferred to reserves.

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

**REPORT OF THE DIRECTORS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2012**

DIRECTORS

The directors during the year under review were

A D Maddox

N Wheeler

B J Davies

W K Lewis (Appointment terminated 5th May, 2011)

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 2012.

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 12-10-2012

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

ktsowenstomas
ACCOUNTANTS

We have audited the financial statements of Cynon Valley Waste Disposal Company Limited t/a Amgen Cymru for the year ended 31 March 2012 on pages five to sixteen. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditors

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Directors to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.

KTS OWENS THOMAS LIMITED

Carol Warburton (Senior Statutory Auditor)
for and on behalf of KTS OWENS THOMAS LIMITED
Chartered Accountants and Statutory Auditor

The Counting House
Celtic Gateway
Cardiff

CF11 0SN

Date

19 October 2012

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CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED
T/A AMGEN CYMRU

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2012

		Year ended 31 March 2012	Year ended 31 March 2011
	Notes	£	£
TURNOVER	2	7,889,878	7,423,742
Cost of Sales		<u>(6,989,927)</u>	<u>(5,977,624)</u>
GROSS PROFIT		899,951	1,446,118
Administrative expenses		<u>(884,235)</u>	<u>(940,989)</u>
OPERATING PROFIT	4	15,716	505,129
Interest receivable and similar income		7,139	4,962
Interest payable and similar charges	5	<u>(3,051)</u>	<u>(1,929)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		19,804	508,162
Tax on profit on ordinary activities	6	<u>(9,398)</u>	<u>(44,140)</u>
PROFIT FOR THE FINANCIAL YEAR		<u>10,406</u>	<u>464,022</u>

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

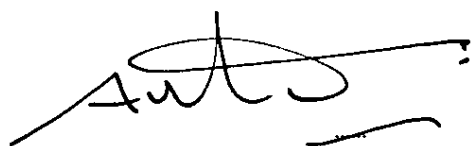
The company has no recognised gains and losses other than the profits above and therefore no separate statement of total recognised gains and losses has been presented

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

BALANCE SHEET
31 MARCH 2012

	Notes	31 March 2012 £	£	31 March 2011 £	£
FIXED ASSETS					
Tangible assets	7		4,922,107		5,119,601
Investments	8		<u>100</u>		<u>100</u>
			4,922,207		5,119,701
CURRENT ASSETS					
Debtors	9	2,010,241		1,872,450	
Cash at bank and in hand	10	<u>2,490,602</u>		<u>2,323,030</u>	
		4,500,843		4,195,480	
CREDITORS					
Amounts falling due within one year	11	<u>(2,452,812)</u>		<u>(2,562,224)</u>	
NET CURRENT ASSETS			<u>2,048,031</u>		<u>1,633,256</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			6,970,238		6,752,957
CREDITORS					
Amounts falling due after more than one year	12		(465,763)		(782,009)
PROVISIONS FOR LIABILITIES	14		<u>(1,477,520)</u>		<u>(954,399)</u>
NET ASSETS			<u>5,026,955</u>		<u>5,016,549</u>
CAPITAL AND RESERVES					
Called up share capital	16		2,806,000		2,806,000
Profit and loss account	17		<u>2,220,955</u>		<u>2,210,549</u>
SHAREHOLDERS' FUNDS			<u>5,026,955</u>		<u>5,016,549</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 12-10-2012

CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED
T/A AMGEN CYMRU

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012

I. ACCOUNTING POLICIES

Basis of preparation

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

Exemption from preparing consolidated financial statements

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

Exemption from preparing a cash flow statement

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

Turnover and revenue recognition

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

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

Tangible fixed assets

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

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

CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED
T/A AMGEN CYMRU

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012

1 ACCOUNTING POLICIES (continued)

Taxation

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

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

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

Hire purchase and leasing commitments

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

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

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

Pensions

The pension costs charged to the profit and loss account represent the contributions payable by the company in respect of defined benefit and defined contribution schemes (see note 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 14)

2 TURNOVER

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

CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED
T/A AMGEN CYMRU

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012

3 DIRECTORS EMOLUMENTS AND EMPLOYEE INFORMATION

(i) Directors emoluments

	Year ended March 2012 £	Year ended March 2011 £
Directors' emoluments and other benefits	49,210	110,235
Compensation for loss of office	-	30,000
	<u>49,210</u>	<u>140,235</u>

(ii) Staff costs

	Year ended March 2012 £	Year ended March 2011 £
Wages and salaries	1,378,943	1,450,780
Social security costs	108,803	119,084
Other pension costs (see note 14)	47,134	47,489
	<u>1,534,880</u>	<u>1,617,353</u>

(iii) Number of employees

The average numbers of employees during the year were

	Year ended March 2012 Number	Year ended March 2011 Number
By activity		
Salaried	16	17
Weekly	47	48
	<u>63</u>	<u>65</u>

4. OPERATING PROFIT

The operating profit is stated after charging

	Year ended March 2012 £	Year ended March 2011 £
Depreciation of tangible fixed assets – owned assets	819,381	607,432
Depreciation of tangible fixed assets – leased assets	4,576	3,432
Auditors remuneration	15,008	8,155
Hire of plant and machinery	<u>531,676</u>	<u>463,947</u>

CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED
T/A AMGEN CYMRU

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012

5 INTEREST PAYABLE & SIMILAR CHARGES

The interest payable of £3,051 (2011 - £1,929) relates to the hire purchase agreement disclosed in note 13

6 TAXATION

Analysis of the tax charge

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

	Year ended March 2012 £	Year ended March 2011 £
Current tax:		
UK corporation tax charge for current year	-	31,447
UK corporation tax under provision from previous years	-	(29,763)
Deferred tax (see note 14)	9,398	42,456
	<u>9,398</u>	<u>44,140</u>

Factors affecting the tax charge

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

	Year ended March 2012 £	Year ended March 2011 £
Profit on ordinary activities before tax	<u>19,804</u>	<u>508,162</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2011 – 21%)	3,963	106,714
Effect of:		
Permanent timing differences	17,595	66,709
Depreciation in excess of capital allowances/(capital allowances in excess of depreciation)	26,563	(12,840)
Short-term timing differences	(5,073)	(11,319)
Non-taxable income	(20,198)	(21,210)
Utilisation of losses	-	(96,607)
Group Relief for no payment	22,850	-
Current tax charge	<u>-</u>	<u>31,447</u>

CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED
T/A AMGEN CYMRU

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012

7 TANGIBLE FIXED ASSETS

	Land & Buildings £	Plant & Machinery £	Fixtures & Fittings £	Landfill Phases £	Totals £
COST					
At 1 April 2011	5,045,687	2,877,968	109,862	1,414,104	9,447,621
Additions	-	603,053	23,410	-	626,463
Disposals	-	(15,900)	-	-	(15,900)
At 31 March 2012	<u>5,045,687</u>	<u>3,465,121</u>	<u>133,272</u>	<u>1,414,104</u>	<u>10,058,184</u>
DEPRECIATION					
At 1 April 2011	2,280,018	1,312,628	86,053	649,321	4,328,020
Charge for year	277,799	309,351	10,865	225,942	823,957
Disposals	-	(15,900)	-	-	(15,900)
At 31 March 2012	<u>2,557,817</u>	<u>1,606,079</u>	<u>96,918</u>	<u>875,263</u>	<u>5,136,077</u>
NET BOOK VALUE					
At 31 March 2012	<u>2,487,870</u>	<u>1,859,042</u>	<u>36,354</u>	<u>538,841</u>	<u>4,922,107</u>
At 31 March 2011	<u>2,765,669</u>	<u>1,565,340</u>	<u>23,809</u>	<u>764,783</u>	<u>5,119,601</u>

The net book value of assets held under hire purchase agreements included within plant and machinery above is £37,756 (2011 - £42,332)

Included within Land and Buildings is

	Freehold Land £	Short Leasehold Land £
COST		
At 1 April 2011 and 31 March 2012	<u>45,533</u>	<u>2,581,000</u>
DEPRECIATION		
At 1 April 2011	15,509	1,071,845
Charge for year	<u>1,358</u>	<u>68,605</u>
At 31 March 2012	<u>16,867</u>	<u>1,140,450</u>
NET BOOK VALUE		
At 31 March 2012	<u>28,666</u>	<u>1,440,550</u>
At 31 March 2011	<u>30,024</u>	<u>1,509,155</u>

CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED
T/A AMGEN CYMRU

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012

8 FIXED ASSET INVESTMENTS

The company's investment in Amgen Rhondda Limited is shown at cost of £100 (2011 - £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 2012, Amgen Rhondda Limited continued to carry out comprehensive stewardship services of the site at Nant-y-Gwyddon in accordance with it's waste management licence

9 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012 £	2011 £
Trade debtors	1,122,663	1,130,864
Amounts due from group undertakings	842,578	703,474
Prepayments and accrued income	45,000	38,112
	<u>2,010,241</u>	<u>1,872,450</u>

10 CASH AT BANK AND IN HAND

	2012 £	2011 £
Current account and short term deposit account	2,490,397	2,322,745
Cash in hand	205	285
	<u>2,490,602</u>	<u>2,323,030</u>

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

CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED
T/A AMGEN CYMRU

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012

11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012 £	2011 £
Trade creditors	418,605	671,692
RCTCBC royalty	137,544	220,336
Obligations under hire purchase contracts	15,255	15,255
Amounts due to group undertakings	191,081	206,446
Taxation and social security	1,154,018	980,461
Aftercare capping provision (note 14)	70,000	100,000
Accruals and deferred income	264,797	287,271
Other creditors	1,512	80,763
Loan due to subsidiary undertaking	200,000	-
	<u>2,452,812</u>	<u>2,562,224</u>

12 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2012 £	2011 £
Loan due to subsidiary undertaking	200,000	400,000
Obligations under hire purchase contracts	4,831	20,085
Deferred income – government grants	260,932	361,924
	<u>465,763</u>	<u>782,009</u>

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

13 BORROWINGS

Borrowings are repayable as follows

	2012 £	2011 £
Hire purchase		
Within one year	15,255	15,255
Between one and two years	4830	15,255
Between two and five years	-	4,830
	<u>20,085</u>	<u>35,340</u>

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

CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED
T/A AMGEN CYMRU

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012

14 PROVISION FOR LIABILITIES

	Deferred tax £	Aftercare capping provision £	HMRC Provision £	Total £
At 1 April 2011	42,456	911,943	-	954,399
Charged to the profit and loss account	9,398	195,857	-	205,255
Utilised during the year	-	(318,341)	-	(318,341)
Provided during year	-	-	636,207	636,207
At 31 March 2012	51,854	789,459	636,207	1,477,520

Deferred tax

Deferred tax is provided as follows

	2012 £	2011 £
Accelerated capital allowances	142,257	138,182
Short-term timing differences	(81,329)	(86,652)
Tax losses	(9,074)	(9,074)
	<u>51,854</u>	<u>42,456</u>

Aftercare capping provision

The company is required by the shareholders agreement to provide for future aftercare costs such as landfill capping and restoration. During the current year, the company provided £2 per tonne (2011 - £2 per tonne) of waste tipped at landfill in order to make provision for this obligation. This method is considered by the directors to be the best estimate of future aftercare costs as at 31 March 2012. The directors assess the reasonableness of the £2 per tonne provision on a regular basis to take into account actual capping and restoration costs incurred and any expected changes in costs going forward to ensure that the provision is sufficient to meet the company obligations.

HMRC Provision

The HMRC provision above relates to a tax repayment received from HMRC during the year in respect of a repayment of landfill tax. The company is currently awaiting the outcome of pending legal advice and confirmation from HMRC that the repayment is a realisable benefit to Cynon Valley Waste Disposal Limited. The outcome of this will result in the clarification of whether the repayment is able to be released to the profit and loss account.

CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED
T/A AMGEN CYMRU

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012

15 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 £20,401 (2011 - £32,957) Included in creditors is £0 (2010 - £570) in respect of contributions to the scheme
- b) The pension cost for the defined benefit scheme amounted to £16,964 (2011 - £14,532) Included in creditors is £1,354 (2011 - £80,227) 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 2012, 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

16 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid

Number	Class	Nominal Value	2012 £	2011 £
2,806,000	Ordinary	£1	<u>2,806,000</u>	<u>2,806,000</u>

17 RESERVES

	Profit and loss account £
At 1 April 2011	2,210,549
Profit for the financial year	<u>10,406</u>
At 31 March 2012	<u>2,220,955</u>

18 OPERATING LEASE COMMITMENTS

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

	2012 £	2011 £
Leases which expire:		
Between two and five years	<u>457,006</u>	<u>457,006</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

19 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 £272,655 to Amgen Environmental Body Limited (2011 - £256,200)

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.

20 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)