

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

Abbreviated accounts

for the year ended 31 May 2003



CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED
T/A AMGEN CYMRU

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**Independent auditors' report to CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED
T/A AMGEN CYMRU
under Section 247B of the Companies Act 1985**

We have examined the abbreviated accounts set out on pages 3 to 7 together with the financial statements of CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED for the year ended 31 May 2003 prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing abbreviated accounts in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Companies Act 1985 in respect of the year ended 31 May 2003, and the abbreviated accounts on pages 3 to 7 are properly prepared in accordance with those provisions.

Other information

On 12 November 2003 we reported as auditors of CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED to the members on the financial statements prepared under Section 226 of the Companies Act 1985 for the year ended 31 May 2003 and our audit report was as follows:

' We have audited the financial statements of CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED for the year ended 31 May 2003 which comprise the profit and loss account, the Balance Sheet and the related notes. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's member, as a body, in accordance with section 235 of the Companies Act 1985. 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.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

**Independent auditors' report to CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED
T/A AMGEN CYMRU
under Section 247B of the Companies Act 1985**

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 May 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**KTS Owens Thomas Limited
Chartered Accountants and
Registered Auditor
18a Whitcombe Street
Aberdare
CF44 7AU**

Date: 12 November 2003

CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED
T/A AMGEN CYMRU

Abbreviated balance sheet
as at 31 May 2003

		2003		2002	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	3		3,081,872		3,168,736
Investments	3		100		100
			<u>3,081,972</u>		<u>3,168,836</u>
Current assets					
Debtors		713,843		621,091	
Cash at bank and in hand		830,425		1,110,953	
		<u>1,544,268</u>		<u>1,732,044</u>	
Creditors: amounts falling due within one year	4	<u>(694,353)</u>		<u>(690,885)</u>	
Net current assets			<u>849,915</u>		<u>1,041,159</u>
Total assets less current liabilities			3,931,887		4,209,995
Creditors: amounts falling due after more than one year			(103,028)		(183,931)
Provisions for liabilities and charges			<u>(321,223)</u>		<u>(684,045)</u>
Net assets			<u><u>3,507,636</u></u>		<u><u>3,342,019</u></u>
Capital and reserves					
Called up share capital	5		2,806,000		2,806,000
Profit and loss account			701,636		536,019
Shareholders' funds			<u><u>3,507,636</u></u>		<u><u>3,342,019</u></u>

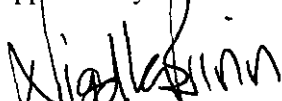
In preparing these abbreviated accounts we have relied on the exemptions for individual financial statements conferred by section Section A of Part 1 of the Companies Act 1985 on the grounds that the company is entitled to the benefit of those exemptions as a small sized company.

The abbreviated accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies .

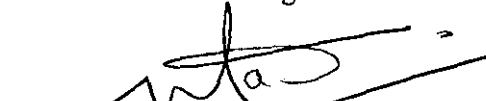
The abbreviated accounts were approved by the Board on 12 November 2003 and signed on its behalf by



R J Mansfield
Director



N K Brinn
Director



A D Maddox
Director

The notes on pages 4 to 7 form an integral part of these financial statements.

CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED**T/A AMGEN CYMRU****Notes to the abbreviated financial statements
for the year ended 31 May 2003****1. Accounting policies****1.1. Accounting convention**

The accounts are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The company has taken advantage of the exemption in FRS1 from the requirement to produce a cashflow statement because it is a small company.

1.2. Turnover

Turnover represents the total invoice value, excluding value added tax and landfill tax, of sales made during the year.

1.3. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Freehold land	-	Straight line over 40 years
Leasehold land & buildings	-	Straight line over the life of the lease
Site infrastructure	-	Straight line over 10 years
Landfill phase construction	-	Airspace used for landfill
Plant and machinery	-	Straight line between 2 and 10 years
Fixtures & fittings	-	Straight line between 3 and 10 years
Computer equipment	-	Straight line over 3 years
Motor vehicles	-	Straight Line over 4 years

1.4. Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce constant periodic rates of charge on the net obligations outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.5. Investments

Fixed asset investments are stated at cost less provision for impairment.

1.6. Pensions

The pension costs charged in the profit and loss account represent the contributions payable by the company in respect of defined contribution schemes for 2 directors and eligible employees.

CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED

T/A AMGEN CYMRU

**Notes to the abbreviated financial statements
for the year ended 31 May 2003**

1.7. Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes. However, the directors consider that a liability to taxation is unlikely to materialise because of corporation tax losses brought forward.

1.8. Group accounts

The company is entitled to the exemption under Section 248 of the Companies Act 1985 from the obligation to prepare group accounts.

2. Interest payable and similar charges

2003	2002
£	£

Included in this category is the following:

Hire purchase interest	387	455
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3. Fixed assets

Tangible

fixed

assets

Investments

Total

£

£

£

Cost

At 1 June 2002

4,370,529	100	4,370,629
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Additions

445,936	-	445,936
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Disposals

(42,454)	-	(42,454)
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At 31 May 2003

4,774,011	100	4,774,111
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Depreciation and

At 1 June 2002

1,201,793	-	1,201,793
-----------	---	-----------

On disposals

(36,889)	-	(36,889)
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Charge for year

527,235	-	527,235
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At 31 May 2003

1,692,139	-	1,692,139
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Net book values

At 31 May 2003

3,081,872	100	3,081,972
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At 31 May 2002

3,168,736	100	3,168,836
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3.1. Investment details

The company's investment in Amgen Rhondda Limited is shown at cost of £100 (2002 - £100).

CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED

T/A AMGEN CYMRU

**Notes to the abbreviated financial statements
for the year ended 31 May 2003**

The company holds 100% of the ordinary share capital of Amgen Rhondda Limited, a company incorporated in the UK that is engaged in waste management at the Nant y Gwyddon site.

During the year ended 31 May 2003, the company carried out stewardship services of the site at Nant y Gwyddon.

During March 2002, RCTCBC made a policy decision to send no further waste to Amgen Rhondda Limited for landfill disposal. The directors then concluded that the site was no longer viable for landfill and on the 12 March 2002, the site closed permanently for waste disposal.

The site waste management licence remains valid and a 7 day a week presence is required to ensure the effective management of the environmental control measures on the site. The company's business has been realigned to provide for the safe and effective management of the closed site in accordance with the regulations until a remediation plan is agreed with the key stakeholders.

The directors of Amgen Rhondda Limited are of the opinion that the company will be adequately financed for the foreseeable future until the future of the landfill site is determined.

The aggregate amount of capital and reserves and the result of Amgen Rhondda Limited for the current and preceding financial years were:

		Capital & Reserves		Profit/(loss) for the year	
		2003	2002	2003	2002
		£	£	£	£
Amgen Rhondda Limited		255,804	196,191	59,613	(134,566)
4.	Creditors: amounts falling due within one year			2003	2002
				£	£
	Creditors include the following:				
	Secured creditors			<u>6,608</u>	<u>2,179</u>
5.	Share capital			2003	2002
				£	£
	Authorised				
	2,806,000 Ordinary shares of £1 each			<u>2,806,000</u>	<u>2,806,000</u>
	Allotted, called up and fully paid				
	2,806,000 Ordinary shares of £1 each			<u>2,806,000</u>	<u>2,806,000</u>

CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED

T/A AMGEN CYMRU

**Notes to the abbreviated financial statements
for the year ended 31 May 2003**

6. Capital commitments	2003 £	2002 £
Lining works contracted for but not provided as at 31 May 2003:	<u>-</u>	<u>353,171</u>

7. Related party transactions

1. Rhondda Cynon Taf County Borough Council (RCTCBC) own the entire share capital of the company.

a) During the year, the charge for royalties was £195,777 (2002 - £168,462). The amount owed by the company to RCTCBC at 31 May 2003 was £225,365 (2002 - £272,519).

b) During the year, RCTCBC used the landfill site for waste disposal and other services, totalling £1,098,233 (2002 - £1,030,244). The amount owed to the company from RCTCBC at 31 May 2003 was £340,832 (2002 - £49,531).

c) During the year, the company was charged £101,365 (2002 - £104,890) by RCTCBC in respect of general rates. The amount owed by the company to RCTCBC in respect of general rates at 31 May 2003 was £66,306 (2002 - £73,944).

2. The company owns 100% of the ordinary shares of Amgen Rhondda Limited.

a) During the year, management fees were charged to Amgen Rhondda Limited totalling £150,000 (2002 - £205,392). The amount owed by Amgen Rhondda Limited to the company at 31 May 2003 was £nil (2002 - £10,184).

b) During the year, the company made sundry purchases from Amgen Rhondda Limited amounting to £nil (2002 - £1,000). The amount owed by the company to Amgen Rhondda Limited at 31 May 2003 was £nil (2002 - £1,000).