

Registered No. 2660628

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

Report of the Directors and

Audited Financial Statements

for the Year ended 31 March 2016



CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED
TRADING AS AMGEN CYMRU

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for the Year ended 31 March 2016

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CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED
TRADING AS AMGEN CYMRU

Company Information
for the Year ended 31 March 2016

DIRECTORS: A D Maddox
N Wheeler
B J Davies

SECRETARY: B J Davies

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

REGISTERED NUMBER: 02660628 (England and Wales)

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

CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED
TRADING AS AMGEN CYMRU

Report of the Directors
for the Year ended 31 March 2016

The directors present their report with the financial statements of the company for the Year ended 31 March 2016.

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 (2015 - £nil). The loss for the financial year of £13,035 (2015 – £17,858 profit) will be transferred to reserves.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2015 to the date of this report:

A D Maddox
N Wheeler
B J Davies

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 2016**

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, 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: 27/10/16

CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED TRADING AS AMGEN CYMRU

Strategic Report for the Year ended 31 March 2016

BUSINESS REVIEW

The company recognised a loss on ordinary activities of £13,035 (2015 - £17,858 profit) during the year. The company has no external lending and meets its day-to-day working capital requirements through cash generated from operations only.

Of particular note has been the requirement for the company to prepare its financial statements in line with the requirements of Financial Reporting Standard FRS 102 for financial year 2015/16, with restatements also necessary to 2014/15. Revaluation of land and buildings, recognition of a pension fund deficit and a re-evaluation of the level of the aftercare provision are the most material adjustments which have impacted on the financial statements. These adjustments, along with the loss on ordinary activities, resulted in an increase in retained earnings of £78k.

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 2015/16. Commodity rates and income have also continued to be below the levels which have previously been experienced although new contractual arrangements have been put in place which will provide a benefit in 2016/17.

The company continues to experience relatively low landfill volumes. The cell designated Phase 4b is the current operational cell and as of 31 March 2016 provides sufficient void space for a further 2 years (subject to landfill volumes). 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, most notably the residual waste contractual arrangements which have been put in place which will eliminate landfill from RCT CBC. Whilst the future business operation will doubtlessly change (a further rebalancing of recycling and landfill activities), the directors are confident that the future business model will support a viable operation. Future developments include:

- The management and operation of new Community Recycling Centres;
- Improving and developing existing 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.

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 2016

Credit Risk

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

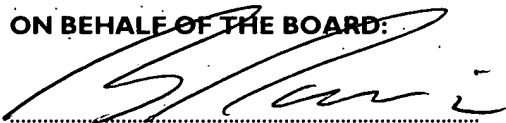
Liquidity Risk

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

Interest Rate Cash Flow Risk

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

ON BEHALF OF THE BOARD:



B J Davies - Secretary

Date: 27/10/16



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

We have audited the financial statements of Cynon Valley Waste Disposal Company Limited T/A Amgen Cymru for the year ended 31 March 2016 on pages seven to thirty-one. 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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

Respective responsibilities of directors and auditors

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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



**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

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: *27 October 2016*

CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED
TRADING AS AMGEN CYMRU

Income Statement
for the Year ended 31 March 2016

		Year ended: 31/3/16	Year ended: 31/3/15
	Notes	£	£
TURNOVER		9,152,493	9,316,330
Cost of Sales		<u>(8,389,246)</u>	<u>(8,458,897)</u>
GROSS PROFIT		763,247	857,433
Administrative expenses		<u>(781,398)</u>	<u>(759,917)</u>
OPERATING (LOSS)/PROFIT	3	(18,151)	97,516
Interest receivable etc		<u>4,596</u>	<u>3,121</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(13,555)	100,637
Tax on (loss)/profit on ordinary activities	5	<u>520</u>	<u>(82,779)</u>
(LOSS)/PROFIT FOR THE FINANCIAL PERIOD		<u><u>(13,035)</u></u>	<u><u>17,858</u></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 2016

	Year ended: 31/3/16	Year ended: 31/3/15
	£	£
(LOSS)/PROFIT FOR THE PERIOD	(13,035)	17,858
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified to profit or loss:		
Changes in fixed asset revaluation surplus	2,356	(74,156)
Actuarial gains/ (losses) on liabilities	95,000	(241,000)
Remeasurement (losses)/ gains on asset	<u>(6,000)</u>	<u>144,000</u>
OTHER COMPREHENSIVE INCOME		
FOR THE PERIOD, NET OF INCOME		
TAX	<u>91,356</u>	<u>(171,156)</u>
TOTAL COMPREHENSIVE INCOME		
FOR THE PERIOD	<u>78,321</u>	<u>(153,298)</u>

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

Balance Sheet
31 March 2016

	Notes	2016 £	2015 £
FIXED ASSETS			
Tangible assets	6	4,354,928	4,873,095
Investments	7	<u>100</u>	<u>100</u>
		4,355,028	4,873,195
CURRENT ASSETS			
Debtors	8	1,833,678	1,912,975
Cash at bank	9	<u>2,430,193</u>	<u>1,367,513</u>
		4,263,871	3,280,488
CREDITORS			
Amounts falling due within one year	10	<u>(2,033,934)</u>	<u>(1,780,717)</u>
NET CURRENT ASSETS		2,229,937	1,499,771
TOTAL ASSETS LESS CURRENT LIABILITIES		6,584,965	6,372,966
NON-CURRENT LIABILITIES			
Pension liability	13	(431,000)	(438,000)
PROVISIONS FOR LIABILITIES	12	<u>(1,044,869)</u>	<u>(901,835)</u>
NET ASSETS		5,109,096	5,033,131
CAPITAL AND RESERVES			
Called up share capital	14	2,806,000	2,806,000
Revaluation reserve		1,282,378	1,284,734
Retained earnings	15	<u>1,020,718</u>	<u>942,397</u>
SHAREHOLDERS' FUNDS		5,109,096	5,033,131

The financial statements were approved by the Board of Directors on ~~27 October 2016~~ and were signed on its behalf by:



.....
A D Maddox - 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 2016

	Called up share capital £	Retained earnings £	Revaluation reserve £	Total equity £
Balance at 31 March 2014	2,806,000	1,095,695	1,210,578	5,112,273
Changes in equity				
Changes in revaluation reserve	-	-	74,156	74,156
Total comprehensive income	-	(153,298)	-	(153,298)
Balance at 31 March 2015	<u>2,806,000</u>	<u>942,397</u>	<u>1,284,734</u>	<u>5,033,131</u>
Changes in equity				
Changes in revaluation reserve	-	-	(2,356)	(2,356)
Total comprehensive income	-	78,321	-	78,321
Balance at 31 March 2016	<u>2,806,000</u>	<u>1,020,718</u>	<u>1,282,378</u>	<u>5,109,096</u>

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 2016

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.

Changes in accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The company has adopted FRS 102 in these financial statements. Details of the transition to FRS 102 are disclosed in note 20.

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 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 accounts of 31 March 2016 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 2016

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.

Taxation

The taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the income statement, 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.

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.

CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED
TRADING AS AMGEN CYMRU

Notes to the Financial Statements - continued
for the Year ended 31 March 2016

I. ACCOUNTING POLICIES - continued

(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.

Investments

Investments 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.

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.

CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED
TRADING AS AMGEN CYMRU

Notes to the Financial Statements - continued
for the Year ended 31 March 2016

I. ACCOUNTING POLICIES - continued

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 income statement 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.

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.

CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED
TRADING AS AMGEN CYMRU

Notes to the Financial Statements - continued
for the Year ended 31 March 2016

I. ACCOUNTING POLICIES - continued

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.

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.

CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED
TRADING AS AMGEN CYMRU

Notes to the Financial Statements - continued
for the Year ended 31 March 2016

I. ACCOUNTING POLICIES - continued

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:

(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 8 for the net carrying amount of the debtors and associated impairment provision.

CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED
TRADING AS AMGEN CYMRU

Notes to the Financial Statements - continued
for the Year ended 31 March 2016

1. ACCOUNTING POLICIES – continued

(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 12 for the net carrying amount of the aftercare provision.

2. STAFF COSTS

	Year ended: 31/3/16 £	Year ended: 31/3/15 £
Wages and salaries	1,189,318	1,246,651
Social security costs	74,007	75,462
Other pension costs (see note 13)	192,343	187,823
	<u>1,455,668</u>	<u>1,509,936</u>

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

	Year ended: 31/3/16	Year ended: 31/3/15
Administration	1	1
Management & Administration	9	10
Landfill Operations	11	12
Recycling Operations	27	28
Transport Operations	5	5
Visitors Centre	1	1
	<u>54</u>	<u>57</u>

The average number of persons employed by the company (including directors) during the year was 54 (2015: - 57).

Key management includes the directors and members of senior management the compensation paid or payable to key management for employee services is £43,334 (2015: £43,092). 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.

3. OPERATING (LOSS)/PROFIT

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

	Year ended: 31/3/16 £	Year ended: 31/3/15 £
Depreciation of tangible fixed assets – owned assets	764,190	928,864
Depreciation of tangible fixed assets – leased assets	49,927	49,927
(Profit) on disposal	-	(1,900)
Auditors remuneration	12,931	11,021
Hire of plant and machinery	294,534	393,686
Government grants	<u>(58,954)</u>	<u>(100,992)</u>

CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED
TRADING AS AMGEN CYMRU

Notes to the Financial Statements - continued
for the Year ended 31 March 2016

4. AUDITORS' REMUNERATION

	Year ended: 31/3/16	Year ended: 31/3/15
	£	£
Fee payable to the company's auditor for the audit	9,500	9,000
Tax compliance service	1,350	1,350
Other non audit services	2,081	671
	<u>12,931</u>	<u>11,021</u>

5. TAXATION

Analysis of the tax charge

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

	Year ended: 31/3/16	Year ended: 31/3/15
	£	£
Current tax:		
UK corporation tax charge for current year	-	41,897
Tax rebate relating to previous years	(20,627)	(9,379)
Deferred Tax (see note 12)	20,107	50,261
Tax on (loss)/profit on ordinary activities	<u>(520)</u>	<u>82,779</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: 31/3/16	Year ended: 31/3/15
	£	£
(Loss)/profit on ordinary activities before tax	<u>(13,555)</u>	<u>100,637</u>
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2015 – 20.34%)	(2,711)	20,469
Effects of:		
Permanent timing differences	110	110
Depreciation in excess of capital allowances	47,559	108,609
Non-taxable income	(11,791)	(20,542)
Utilisation of losses	19,927	(54,481)
Prior year adjustment	(26,057)	(18,980)
Group Relief	<u>(27,037)</u>	<u>-</u>
Total tax charge	<u>-</u>	<u>41,897</u>

(c) Tax expenses included in other comprehensive income

No tax expense was recognised in other comprehensive income in relation to the current or prior year.

(d) The tax rate for the current period is lower than the prior period due to changes in the UK corporation tax which decreased from 21% to 20% from 1 April 2015.

CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED
TRADING AS AMGEN CYMRU

Notes to the Financial Statements - continued
for the Year ended 31 March 2016

6. TANGIBLE FIXED ASSETS

	Land & Buildings £	Plant & Machinery £	Fixtures & Fittings £	Landfill Phases £	Totals £
COST					
At 1 April 2015	3,142,720	3,928,100	177,632	1,083,046	8,331,498
Additions	-	295,950	-	-	295,950
At 31 March 2016	<u>3,142,720</u>	<u>4,224,050</u>	<u>177,632</u>	<u>1,083,046</u>	<u>8,627,448</u>
DEPRECIATION					
At 1 April 2015	203,780	2,639,826	158,204	456,593	3,458,403
Charge for year	<u>203,780</u>	<u>410,322</u>	<u>10,751</u>	<u>189,264</u>	<u>814,117</u>
At 31 March 2016	<u>407,560</u>	<u>3,050,148</u>	<u>168,955</u>	<u>645,857</u>	<u>4,272,520</u>
NET BOOK VALUE					
At 31 March 2016	<u>2,735,160</u>	<u>1,173,902</u>	<u>8,677</u>	<u>437,189</u>	<u>4,354,928</u>
At 31 March 2015	<u>2,938,940</u>	<u>1,288,274</u>	<u>19,428</u>	<u>626,453</u>	<u>4,873,095</u>

Included within Land and Buildings is:

	Freehold Land £	Short Leasehold Land £
COST		
At 1 April 2015 and 31 March 2016	<u>589,400</u>	<u>948,614</u>
DEPRECIATION		
At 1 April 2015	-	49,927
Charge for year	<u>-</u>	<u>49,927</u>
At 31 March 2016	<u>-</u>	<u>99,854</u>
NET BOOK VALUE		
At 31 March 2016	<u>589,400</u>	<u>848,760</u>
At 31 March 2015	<u>589,400</u>	<u>898,687</u>

The company has applied the transitional arrangements of Section 35 of FRS 102 and used a previous valuation as the deemed cost for certain freehold properties. The properties are being depreciated from the effective valuation date of 1st April, 2014. As the assets are depreciated or sold an appropriate transfer is made from the revaluation reserve to retained earnings. 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 land and buildings is £3,142,720.

CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED
TRADING AS AMGEN CYMRU

Notes to the Financial Statements - continued
for the Year ended 31 March 2016

7. FIXED ASSET INVESTMENTS

	Investment in Subsidiary Company £
COST	
At 1 April 2015	100
At 31 March 2016	100
NET BOOK VALUE	
At 31 March 2016	100
At 31 March 2015	100

The company's investments at the Balance Sheet date in the share capital of its subsidiary is as follows:-

Amgen Rhondda Limited

Stewardship services of closed landfill site

	%		
Class of shares:	holding		
Ordinary Shares	100.00		
		2016	2015
		£	£
Aggregate capital and reserves		153,864	133,259
Profit/(loss) for the year		<u>20,605</u>	<u>(115,481)</u>

During the year ended 31 March 2016, Amgen Rhondda Limited continued to carry out comprehensive stewardship services of the site at Nant-y-Gwyddon in accordance with its waste management licence.

CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED
TRADING AS AMGEN CYMRU

Notes to the Financial Statements - continued
for the Year ended 31 March 2016

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Trade debtors	720,480	979,599
Amounts owed by group undertakings	1,033,456	865,176
Prepayments and accrued income	79,742	68,200
	<u>1,833,678</u>	<u>1,912,975</u>

Trade debtors are stated after provisions for impairment of £nil (2015: £28,737).

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.

9. CASH AT BANK AND IN HAND

	2016 £	2015 £
Current account and short term deposit account	2,429,913	1,367,299
Cash in hand	280	214
	<u>2,430,193</u>	<u>1,367,513</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.

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Trade creditors	536,051	464,858
Amounts due to group undertakings	201,151	96,335
Taxation and social security	1,037,726	759,402
Aftercare capping provision (note 12)	100,000	236,477
Accruals and deferred income	159,007	223,645
	<u>2,033,934</u>	<u>1,780,717</u>

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

CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED
TRADING AS AMGEN CYMRU

Notes to the Financial Statements - continued
for the Year ended 31 March 2016

11. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	2016	2015
	£	£
Net obligations repayable:		
Within one year	-	162,435
Between one and two years	-	-
	<u>-</u>	<u>162,435</u>

12. PROVISION FOR LIABILITIES

	Deferred tax £	Aftercare capping provision £	Total £
At 1 April 2014	41,869	1,029,161	1,071,030
Charged to the income statement	50,261	405,375	455,636
Utilised during the year	-	(388,354)	(388,354)
Provided during year	-	-	-
At 1 April 2015	<u>92,130</u>	<u>1,046,182</u>	<u>1,138,312</u>
Charged to the income statement	20,107	113,349	133,456
Utilised during the year	-	(126,899)	(126,899)
Provided during year	-	-	-
At 31 March 2016	<u>112,237</u>	<u>1,032,632</u>	<u>1,144,869</u>
<u>Included within:</u>		2016	2015
		£	£
Creditors due less than one year		100,000	236,477
Provisions for liabilities		1,044,869	901,835
		<u>1,144,869</u>	<u>1,138,312</u>

CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED
TRADING AS AMGEN CYMRU

Notes to the Financial Statements - continued
for the Year ended 31 March 2016

12. PROVISION FOR LIABILITIES (continued)

Deferred tax is provided as follows:	2016	2015
	£	£
Accelerated capital allowances	112,237	103,920
Short-term timing differences	-	(11,790)
	<u>112,237</u>	<u>92,130</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 £696,000 to £1,365,000 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.

13. 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, 2013, with the 2016 valuation currently being undertaken, the outcome of which, including any requirement to increase employer contribution rates, will be effective from 2017/18 financial year. 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, 2016 are estimated to be £260,000 (2015 £200,000). 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 balance sheet are as follows:-

	Defined benefit pension plans	
	2016	2015
	£	£
Present value of funded obligations	(2,453,000)	(2,121,000)
Fair value of plan assets	2,022,000	1,683,000
	(431,000)	(438,000)
Present value of unfunded obligations	-	-
Deficit	(431,000)	(438,000)
Net liability	(431,000)	(438,000)

CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED
TRADING AS AMGEN CYMRU

Notes to the Financial Statements - continued
for the Year ended 31 March 2016

13. EMPLOYEE BENEFIT OBLIGATIONS (continued)

The amount recognised in surplus or deficit is as follows:

	Defined benefit pension plans	
	2016	2015
	£	£
Current service cost	263,000	224,000
Net interest from net defined benefit asset/liability	10,000	9,000
Past service cost	69,000	-
	<u>342,000</u>	<u>233,000</u>
Actual return on plan assets	<u>-</u>	<u>-</u>

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

	Defined benefit pension plans	
	2016	2015
	£	£
Opening defined benefit obligation	2,121,000	1,557,000
Current service cost	263,000	224,000
Contributions by scheme participants	70,000	71,000
Interest cost	68,000	68,000
Benefits paid	(43,000)	(40,000)
Remeasurements:		
Actuarial losses/(gains) – on liabilities	(95,000)	241,000
Past Service cost	69,000	-
	<u>2,453,000</u>	<u>2,121,000</u>

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

	Defined benefit pension plans	
	2016	2015
	£	£
Opening fair value of scheme assets	1,683,000	1,249,000
Contributions by employer	260,000	200,000
Contributions by scheme participants	70,000	71,000
Interest income	58,000	59,000
Remeasurement gain on assets	(6,000)	144,000
Benefits paid	(43,000)	(40,000)
	<u>2,022,000</u>	<u>1,683,000</u>

CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED
TRADING AS AMGEN CYMRU

Notes to the Financial Statements - continued
for the Year ended 31 March 2016

13. EMPLOYEE BENEFIT OBLIGATIONS (continued)

The amounts recognised in other comprehensive income are as follows:

	Defined benefit pension plans	
	2016	2015
	£	£
Actuarial losses/(gains) on liabilities	95,000	(241,000)
Remeasurement (losses)/ gains on asset	(6,000)	144,000
	<u>89,000</u>	<u>(97,000)</u>

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

	Defined benefit pension plans	
	2016	2015
Equities	70.1%	69.0%
Government bonds	9.2%	9.7%
Corporate bonds	10.6%	11.7%
Property	6.4%	5.6%
Cash/other	3.7%	4.0%
	<u>100.00%</u>	<u>100.00%</u>

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

	2016	2015
Discount rate	3.4%	3.2%
Rate of increase to pensions in payment	1.8%	1.8%
Rate of general increase in salaries	3.3%	3.3%
Pension accounts revaluations rate	1.8%	1.8%

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):	2016	2015
- Male	23.1	23.0
- Female	26.0	25.9
Future lifetime from age 65 (aged 45 at accounting date):		
- Male	25.2	25.2
- Female	28.4	28.3

CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED
TRADING AS AMGEN CYMRU

Notes to the Financial Statements - continued
for the Year ended 31 March 2016

13. EMPLOYEE BENEFIT OBLIGATIONS (continued)

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)	2.409	2.498
% change in present value of obligation	(1.8%)	1.8%
Projected service cost (£M's)	0.266	0.283
Approximate % change in projected service cost	(3.1%)	3.1%

Rate of general increase in salaries

Adjustment to salary increase rate	+0.1%	-0.1%
Present value of total obligation (£M's)	2.466	2.44
% change in present value of obligation	0.5%	(0.5%)
Projected service cost (£M's)	0.274	0.274
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)	2.485	2.422
% change in present value of obligation	1.3%	(1.3%)
Projected service cost (£M's)	0.283	0.266
Approximate % change in projected service cost	3.1%	(3.1%)

Post retirement mortality assumption

Adjustment to mortality age rating assumption	-1 year	+1 year
Present value of total obligation (£M's)	2.515	2.391
% change in present value of obligation	2.5%	(2.5%)
Projected service cost (£M's)	0.283	0.265
Approximate % change in projected service cost	3.3%	(3.3%)

14. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number	Class	Nominal Value	2016 £	2015 £
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.

CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED
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Notes to the Financial Statements - continued
for the Year ended 31 March 2016

15. RESERVES

	Retained earnings	Revaluation reserve	Total
	£	£	£
At 1 April 2015	942,397	1,284,734	2,227,131
Transfer from revaluation reserve	2,356	(2,356)	-
Actuarial gains/(losses) on liabilities	95,000	-	95,000
Remeasurement gains/(losses) on asset	(6,000)	-	(6,000)
(Loss) for the financial year	(13,035)	-	(13,035)
At 31 March 2016	1,020,718	1,282,378	2,303,096

16. 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.

17. RELATED PARTY DISCLOSURES

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

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 £252,660 to Amgen Environmental Body Limited (2015 - £337,511).

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.

18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2016	2015
	£	£
(Loss)/ profit for the financial period	(13,035)	17,858
Actuarial gains/ (losses) on liabilities	95,000	(241,000)
Remeasurement (losses)/gains on asset	(6,000)	144,000
Net addition/ (reduction) to shareholders' funds	75,965	(79,142)
Opening shareholders' funds	<u>5,033,131</u>	<u>5,112,273</u>
Closing shareholders' funds	<u>5,109,096</u>	<u>5,033,131</u>

19. 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.

CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED
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Notes to the Financial Statements - continued
for the Year ended 31 March 2016

20. FIRST YEAR ADOPTION

This is the first year that the company has presented its results under FRS 102. The last financial statements under the UK GAAP were for the year ended 31 March 2015. The date of transition was 1 April 2014.

There are no material changes to the basis of preparation of the accounts arising on transition to FRS 102.

Transitional relief

On transition to FRS 102, the company has taken advantage of the following transitional relief:

- not to apply the requirements of Section 19 Business Combinations and Goodwill;
- to determine existence of leases on basis of existing facts and circumstances;
- not to apply the requirements of paragraphs 20.15A to 20.25A in respect of lease incentives.

CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED

Reconciliation of Equity

1 April 2014

(Date of Transition to FRS 102)

	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS			
Tangible assets	4,540,411	1,210,579	5,750,990
	<u>4,540,411</u>	<u>-</u>	<u>5,750,990</u>
CURRENT ASSETS			
Debtors	3,398,491	-	3,398,491
Cash at bank	773,955	-	773,955
	<u>4,172,446</u>	<u>-</u>	<u>4,172,446</u>
CREDITORS			
Amounts falling due within one year	(3,339,290)	-	(3,339,290)
NET CURRENT ASSETS	<u>833,156</u>	<u>-</u>	<u>833,156</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>5,373,567</u>	<u>-</u>	<u>6,584,146</u>
NON CURRENT LIABILITIES			
Pension liability	-	(405,000)	(405,000)
Provision for liabilities	(1,163,872)	-	(1,163,872)
NET ASSETS	<u>4,209,695</u>	<u>-</u>	<u>5,015,274</u>
	<u> </u>	<u> </u>	<u> </u>
CAPITAL AND RESERVES			
Called up share capital	2,806,000	-	2,806,000
Retained earnings	1,403,695	(405,000)	998,695
Revaluation Reserve	-	1,210,579	1,210,579
SHAREHOLDERS' FUNDS	<u>4,209,695</u>	<u>576,363</u>	<u>5,015,274</u>

Changes for FRS 102 adoption

Revaluation of land and buildings resulted in an increase in tangible assets and creation of revaluation reserve in shareholders' funds of £1,210,579. This accounts for the difference in the 'Total assets less current liabilities' line.

The recognition of a pension deficit resulted in the creation of a non-current pension liability and an offsetting reduction in retained earnings of £405,000.

The notes form part of these financial statements

CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED

Reconciliation of Equity - continued 31 March 2015

	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS			
Tangible assets	3,588,361	1,284,734	4,873,095
Investments	100	-	100
	<u>3,588,461</u>	<u>1,284,734</u>	<u>4,873,195</u>
CURRENT ASSETS			
Debtors	1,912,975	-	1,912,975
Cash at bank	1,367,513	-	1,367,513
	<u>3,280,488</u>	<u>-</u>	<u>3,280,488</u>
CREDITORS			
Amounts falling due within one year	(1,780,717)	-	(1,780,717)
NET CURRENT ASSETS	<u>1,499,771</u>	<u>-</u>	<u>1,499,771</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>5,088,232</u>	<u>1,284,734</u>	<u>6,372,966</u>
NON CURRENT LIABILITIES			
Pension liability	-	(438,000)	(438,000)
Provision for liabilities	(901,835)	-	(901,835)
NET ASSETS	<u>4,186,397</u>	<u>846,734</u>	<u>5,033,131</u>
CAPITAL AND RESERVES			
Called up share capital	2,806,000	-	2,806,000
Retained earnings	1,380,397	(438,000)	942,397
Revaluation Reserve	-	1,284,734	1,284,734
SHAREHOLDERS' FUNDS	<u>4,186,397</u>	<u>846,734</u>	<u>5,033,131</u>

Explanatory notes to the reconciliation of equity

Corrections of prior period errors

None

Changes for FRS 102 adoption

Revaluation of land and buildings resulted in an increase in tangible assets and creation of revaluation reserve in shareholders' funds of £1,284,734. This accounts for the difference in the 'Total assets less current liabilities' line.

The recognition of a pension deficit resulted in the creation of a non-current pension liability and an offsetting reduction in retained earnings of £438,000.

The £846,734 difference in net assets is the £1,284,734 increase in fixed asset value due to revaluation less the £438,000 required to create the pension deficit.

The notes form part of these financial statements

CYNON VALLEY WASTE DISPOSAL COMPANY LIMITED

Reconciliation of Profit for the year ended 31 March 2015

	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
TURNOVER	9,316,330	-	9,316,330
Cost of sales	<u>(8,524,555)</u>	<u>65,658</u>	<u>(8,458,897)</u>
GROSS PROFIT	791,775	65,658	857,433
Administrative expenses	<u>(735,415)</u>	<u>(24,502)</u>	<u>(759,917)</u>
OPERATING PROFIT	56,360	41,156	97,516
Interest receivable etc	<u>3,121</u>	<u>-</u>	<u>3,121</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	59,481	41,156	100,637
Tax on profit on ordinary activities	<u>(82,779)</u>	<u>-</u>	<u>(82,779)</u>
(LOSS)/PROFIT FOR THE FINANCIAL PERIOD	<u><u>(23,298)</u></u>	<u><u>41,156</u></u>	<u><u>17,858</u></u>

Explanatory notes to the reconciliation of profit

Corrections of prior period errors

None

Changes for FRS 102 adoption

There is a reduced depreciation charge due to the revaluation of operational land and buildings resulting in a £65,658 reduction in cost of sales.

There is a reduced depreciation charge due to the revaluation of the office building resulting in a £8,498 reduction in admin expenses.

There is an increase to admin expenses of £33,000 in relation to the inclusion of the pension fund liability in FRS 102 accounts.