

# REGISTRAR COPY

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2016**

**FOR**

**NEATH PORT TALBOT (RECYCLING) LIMITED**



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**FOR THE YEAR ENDED 31 MARCH 2016**

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**NEATH PORT TALBOT (RECYCLING) LIMITED**

**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 31 MARCH 2016**

**DIRECTORS:** W Watson  
D W Davies  
G J Nutt

**SECRETARY:** S N Jones

**REGISTERED OFFICE:** The Material Recovery & Energy Centre  
Crymlyn Burrows  
Swansea  
SA1 8PZ

**REGISTERED NUMBER:** 03595980 (England and Wales)

**SENIOR STATUTORY AUDITOR:** David Rowe BA ACA

**AUDITORS:** WBV Limited  
The Third Floor,  
Langdon House, Langdon Road  
SA1 Swansea Waterfront  
Swansea  
West Glamorgan  
SA1 8QY

**STRATEGIC REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2016**

The directors present their strategic report for the year ended 31 March 2016.

The principal activity of the company remains the receipt of residual waste from Neath Port Talbot and Bridgend Councils, recycles from Neath Port Talbot and third party waste from a number of sources. The residual waste is converted into a fuel which is sent, largely to cement kilns whilst the recycles are sold.

**REVIEW OF BUSINESS**

Turnover shows an increase of £162k or 1.6% to £10.614m.

The trading position of the company shows a profit of £314k (2015 £506k).

The major reasons for this reduction are:

- a) The largest contract for the disposal of the refuse derived fuel ended in April 2015 and it was not possible to find alternatives at an equivalent price. This increased costs by £354k.
- b) Two major operational issues including the relocation of a transformer and the replacement of the trommel resulted in increased downtime which meant that the cost of landfill also increased by £362k.

These extra costs were offset by reductions in insurance premiums, lower power costs and general reductions in operational costs and overheads.

Net liabilities have decreased by £314k to £396k.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The main areas of risk to which the company is exposed are as follows:

**Liquidity risk**

The objective of the company in managing liquidity risk is to ensure that it can meet its financial obligations as and when they fall due. The company does not have a bank overdraft facility and relies on its cash reserves to finance its obligations.

As explained in note 17 to the financial statements were the company to cease to trade as a result of the termination of its contract, the directors consider that the ultimate owner (Neath Port Talbot County Borough Council) would meet any shortfall.

**Customer credit exposure**

The company offers credit terms to some of its customers which allow payment of the debt after the provision of the service. The company is at risk if a customer is unable to pay the debt on the specified due date. This risk is mitigated by strong on-going customer relationships and the undertaking of credit checks where appropriate.

**ON BEHALF OF THE BOARD:**



.....  
D W Davies - Director

Date: 10/11/2016

**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.

**DIVIDENDS**

No dividends will be distributed for the year ended 31 March 2016.

**EVENTS SINCE THE END OF THE YEAR**

Information relating to events since the end of the year is given in the notes to the financial statements.

**DIRECTORS**

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

W Watson  
D W Davies  
G J Nutt

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Strategic Report, 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 (United Kingdom Accounting Standards 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 the 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.

**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.

**REPORT OF THE DIRECTORS**  
**FOR THE YEAR ENDED 31 MARCH 2016**

**AUDITORS**

The auditors, WBV Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

*D W Davies*

.....  
D W Davies - Director

Date: *18/11/2016*  
.....

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF**  
**NEATH PORT TALBOT (RECYCLING) LIMITED**

We have audited the financial statements of Neath Port Talbot (Recycling) Limited for the year ended 31 March 2016 on pages seven to twenty two. 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 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 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 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**

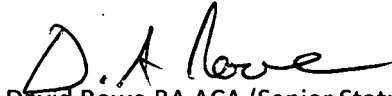
In our opinion the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF**  
**NEATH PORT TALBOT (RECYCLING) LIMITED**

**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.



David Rowe BA ACA (Senior Statutory Auditor)

for and on behalf of WBV Limited

The Third Floor,

Langdon House, Langdon Road

SA1 Swansea Waterfront

Swansea

West Glamorgan

SA1 8QY

Date: ..... 25/11/16 .....



**NEATH PORT TALBOT (RECYCLING) LIMITED (REGISTERED NUMBER: 03595980)**

**INCOME STATEMENT**

**FOR THE YEAR ENDED 31 MARCH 2016**

	Notes	2016 £	2015 £
<b>TURNOVER</b>		10,613,863	10,451,485
Cost of sales		<u>5,932,160</u>	<u>5,151,075</u>
<b>GROSS PROFIT</b>		4,681,703	5,300,410
Administrative expenses		<u>4,367,992</u>	<u>4,781,803</u>
<b>OPERATING PROFIT</b>	4	313,711	518,607
Interest receivable and similar income		<u>96</u>	<u>179</u>
		313,807	518,786
Interest payable and similar charges	5	<u>-</u>	<u>12,788</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		313,807	505,998
Tax on profit on ordinary activities	6	<u>-</u>	<u>36</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u><u>313,807</u></u>	<u><u>505,962</u></u>

The notes form part of these financial statements

**OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 MARCH 2016**

	Notes	2016 £	2015 £
<b>PROFIT FOR THE YEAR</b>		313,807	505,962
<b>OTHER COMPREHENSIVE INCOME</b>		<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>313,807</u>	<u>505,962</u>

The notes form part of these financial statements

**BALANCE SHEET**  
**31 MARCH 2016**

	Notes	2016 £	£	2015 £	£
<b>FIXED ASSETS</b>					
Tangible assets	7		857,402		937,051
<b>CURRENT ASSETS</b>					
Stocks	8	18,914		11,278	
Debtors	9	846,424		310,014	
Cash at bank and in hand		<u>645,079</u>		<u>1,003,662</u>	
		1,510,417		1,324,954	
<b>CREDITORS</b>					
Amounts falling due within one year	10	<u>2,763,839</u>		<u>2,971,832</u>	
<b>NET CURRENT LIABILITIES</b>					
			<u>(1,253,422)</u>		<u>(1,646,878)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
			<u>(396,020)</u>		<u>(709,827)</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	12		150,000		150,000
Retained earnings	13		<u>(546,020)</u>		<u>(859,827)</u>
<b>SHAREHOLDERS' FUNDS</b>					
			<u>(396,020)</u>		<u>(709,827)</u>

The financial statements were approved by the Board of Directors on 10/11/2016 and were signed on its behalf by:



.....  
D W Davies - Director

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 MARCH 2016**

	Called up share capital £	Retained earnings £	Total equity £
<b>Balance at 1 April 2014</b>	150,000	(1,365,789)	(1,215,789)
<b>Changes in equity</b>			
Total comprehensive income	-	505,962	505,962
<b>Balance at 31 March 2015</b>	<u>150,000</u>	<u>(859,827)</u>	<u>(709,827)</u>
<b>Changes in equity</b>			
Total comprehensive income	-	313,807	313,807
<b>Balance at 31 March 2016</b>	<u>150,000</u>	<u>(546,020)</u>	<u>(396,020)</u>

The notes form part of these financial statements

**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 MARCH 2016**

	Notes	2016 £	2015 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	(196,653)	1,110,228
Interest paid		-	(12,788)
Tax paid		<u>(36)</u>	<u>-</u>
Net cash from operating activities		<u>(196,689)</u>	<u>1,097,440</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(161,990)	(149,977)
Interest received		<u>96</u>	<u>179</u>
Net cash from investing activities		<u>(161,894)</u>	<u>(149,798)</u>
<b>Cash flows from financing activities</b>			
Loan repayments in year		<u>-</u>	<u>(465,000)</u>
Net cash from financing activities		<u>-</u>	<u>(465,000)</u>
<b>(Decrease)/increase in cash and cash equivalents</b>		<b>(358,583)</b>	<b>482,642</b>
<b>Cash and cash equivalents at beginning of year</b>	2	<b>1,003,662</b>	<b>521,020</b>
<b>Cash and cash equivalents at end of year</b>	2	<b><u>645,079</u></b>	<b><u>1,003,662</u></b>

The notes form part of these financial statements

**NOTES TO THE CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 MARCH 2016**

**1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	2016	2015
	£	£
Profit before taxation	313,807	505,998
Depreciation charges	241,640	220,181
Finance costs	-	12,788
Finance income	(96)	(179)
	<u>555,351</u>	<u>738,788</u>
(Increase)/decrease in stocks	(508,319)	3,782
(Increase)/decrease in trade and other debtors	(286,945)	178,286
Increase in trade and other creditors	43,260	189,372
	<u>43,260</u>	<u>189,372</u>
<b>Cash generated from operations</b>	<b><u>(196,653)</u></b>	<b><u>1,110,228</u></b>

**2. CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

**Year ended 31 March 2016**

	31/3/16	1/4/15
	£	£
Cash and cash equivalents	<u>645,079</u>	<u>1,003,662</u>

**Year ended 31 March 2015**

	31/3/15	1/4/14
	£	£
Cash and cash equivalents	<u>1,003,662</u>	<u>521,020</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2016**

**1. STATEMENT OF COMPLIANCE**

Neath Port Talbot (Recycling) Limited is a limited liability company incorporated in England and Wales. The registered office is The Material Recovery and Energy Centre, Crymlyn Burrows, Swansea SA1 8PZ.

The company's financial statements have been prepared in compliance with FRS102 as it applies to the financial statements of the company for the year ended 31 March 2016.

The company transitioned from previously extant UK GAAP to FRS102 as at 1 April 2014. An explanation of how transition has affected the reported financial position and financial performance is given in the reconciliation of equity and profit.

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

The financial statements have been prepared under the historical cost convention.

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom. A summary of the more important accounting policies, which have been consistently applied, is set out below.

**Financial reporting standard 102 - reduced disclosure exemptions**

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

- the requirement of Section 33 Related Party Disclosures paragraph 33.7.

The address for Neath Port Talbot County Borough Council, (the ultimate holding company and controlling party of the company) is The Quays, Baglan Energy Park, Brunel Way, Briton Ferry, Neath, SA11 2GG. Accounts for Neath Port Talbot County Borough Council can be obtained at this address.

**Related party exemption**

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

**Significant judgements and estimates**

In applying the company's accounting policies, the directors make judgements and estimates that affect the financial statements.

The depreciation of fixed assets and the consideration of their useful lives is an area of estimation which is not considered to be significant. When determining the rate of depreciation to be applied assets are considered on an individual basis. The depreciation of new assets is based on the condition and depreciation rates applied to existing assets to ensure consistency.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 MARCH 2016**

**2. ACCOUNTING POLICIES - continued**

**Significant judgements and estimates (continued)**

The position of the recoverability of debtors is another area of estimation and again it is not considered to be significant. The directors consider debts which have been outstanding for in excess of the normal credit terms and determine whether a provision is required based on the facts of each case.

**Turnover**

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery	- 20% on cost
Fixtures and fittings	- 20% on cost
Motor vehicles	- 20% on cost

**Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

**Deferred tax**

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.

A net deferred tax asset is recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and/or from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.



**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 MARCH 2016**

**2. ACCOUNTING POLICIES - continued**

**Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

**Grants**

Grants that relate to capital expenditure are treated as deferred income and credited to the profit and loss account over the expected useful lives of the assets concerned. Revenue based grants are credited to the profit and loss account in the year in which they are receivable.

**Going concern**

The directors consider that the going concern basis is appropriate for the preparation of the financial statements. Additional information is contained in notes 17 and 18 to the financial statements.

**Financial instruments**

Financial assets and liabilities are recognised by the company when it becomes a party to the contractual provisions of the financial instrument.

**Cash and cash equivalents**

These comprise cash at bank.

**Debtors**

Debtors are stated at their nominal value and do not attract interest. Appropriate provision for estimated irrecoverable amounts are recognised in the profit and loss account when there is evidence of impairment.

**Trade creditors**

Trade creditors are stated at their nominal value and do not attract interest.

**3. STAFF COSTS**

	2016	2015
	£	£
Wages and salaries	1,660,837	1,767,694
Social security costs	152,718	165,482
Other pension costs	<u>43,864</u>	<u>49,640</u>
	<u>1,857,419</u>	<u>1,982,816</u>

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

	2016	2015
Directors	3	3
Management and administration	5	5
Production	<u>51</u>	<u>54</u>
	<u>59</u>	<u>62</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 MARCH 2016**

**4. OPERATING PROFIT**

The operating profit is stated after charging:

	2016	2015
	£	£
Other operating leases	2,695	2,546
Depreciation - owned assets	241,639	220,181
Auditors' remuneration	13,000	11,000
Auditors' remuneration for non audit work	<u>2,000</u>	<u>1,850</u>
Directors' remuneration	<u>58,671</u>	<u>57,819</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>1</u>	<u>1</u>
------------------------	----------	----------

**5. INTEREST PAYABLE AND SIMILAR CHARGES**

	2016	2015
	£	£
Loan	<u>-</u>	<u>12,788</u>

**6. TAXATION**

**Analysis of the tax charge**

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

	2016	2015
	£	£
Current tax:		
UK corporation tax	<u>-</u>	<u>36</u>
Tax on profit on ordinary activities	<u>-</u>	<u>36</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2016**

**6. TAXATION - continued**

**Reconciliation of total tax charge included in profit and loss**

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

	2016	2015
	£	£
Profit on ordinary activities before tax	<u>313,807</u>	<u>505,998</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2015 - 20%)	62,761	101,200
Effects of:		
Expenses not deductible for tax purposes	19	179
Income not taxable for tax purposes	(19)	(179)
Capital allowances in excess of depreciation	(19,787)	(29,298)
Utilisation of tax losses	(42,955)	(71,866)
2016 liability not provided	<u>(19)</u>	<u>-</u>
Total tax charge	<u>-</u>	<u>36</u>

**7. TANGIBLE FIXED ASSETS**

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST</b>				
At 1 April 2015	4,464,218	55,505	10,000	4,529,723
Additions	<u>161,990</u>	<u>-</u>	<u>-</u>	<u>161,990</u>
At 31 March 2016	<u>4,626,208</u>	<u>55,505</u>	<u>10,000</u>	<u>4,691,713</u>
<b>DEPRECIATION</b>				
At 1 April 2015	3,527,168	55,505	9,999	3,592,672
Charge for year	<u>241,639</u>	<u>-</u>	<u>-</u>	<u>241,639</u>
At 31 March 2016	<u>3,768,807</u>	<u>55,505</u>	<u>9,999</u>	<u>3,834,311</u>
<b>NET BOOK VALUE</b>				
At 31 March 2016	<u>857,401</u>	<u>-</u>	<u>1</u>	<u>857,402</u>
At 31 March 2015	<u>937,050</u>	<u>-</u>	<u>1</u>	<u>937,051</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2016**

<b>8. STOCKS</b>			2016	2015
			£	£
Raw materials			<u>18,914</u>	<u>11,278</u>
<b>9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>			2016	2015
			£	£
Trade debtors			263,619	214,805
Amounts owed by group undertakings			500,683	-
Other debtors			40,798	26,749
Prepayments and accrued income			<u>41,324</u>	<u>68,460</u>
			<u>846,424</u>	<u>310,014</u>
<b>10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>			2016	2015
			£	£
Trade creditors			1,496,126	1,185,102
Amounts owed to group undertakings			-	251,217
Tax			-	36
Social security and other taxes			40,958	48,507
VAT			195,127	172,590
Other creditors			54,468	280,802
Payments received in advance			822,474	852,474
Accrued expenses			<u>154,686</u>	<u>181,104</u>
			<u>2,763,839</u>	<u>2,971,832</u>
<b>11. LEASING AGREEMENTS</b>				
Minimum lease payments under non-cancellable operating leases fall due as follows:				
			2016	2015
			£	£
Within one year			4,320	4,320
Between one and five years			<u>4,320</u>	<u>8,640</u>
			<u>8,640</u>	<u>12,960</u>
<b>12. CALLED UP SHARE CAPITAL</b>				
Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2016	2015
			£	£
150,000	Ordinary	£1	<u>150,000</u>	<u>150,000</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 MARCH 2016**

**13. RESERVES**

	Retained earnings £
At 1 April 2015	(859,827)
Profit for the year	<u>313,807</u>
At 31 March 2016	<u>(546,020)</u>

**14. PENSION COMMITMENTS**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £44,849 (2015:£50,664).

**15. ULTIMATE PARENT COMPANY**

The ultimate controlling party of the company is Neath Port Talbot County Borough Council.

The immediate parent company is Neath Port Talbot Waste Management Co Limited (Company number 02633569).

**16. POST BALANCE SHEET EVENTS**

The company has a contract with Neath Port Talbot County Borough Council for the disposal of its waste. At 31 March 2016 the contract had 11 years to run but the Council have decided to re-tender it early and the company is not included in the tender process.

If the outcome of the process were to result in Neath Port Talbot Recycling Limited losing the contract it is likely that it will have to cease to trade. Adjustments would then have to be made to the value of the company's assets and certain additional liabilities would have to be provided for.

At the date of approval of the financial statements the tender process has not been concluded. As a result the directors are unable to predict with any certainty what the outcome will be and hence what the impact on the financial statements of the company will be. Therefore no adjustments have been made to the financial statements to reflect the position were the company to lose the contract. The company's net liabilities at 31 March 2016 amounted to £396,021. The directors believe that any shortfall in liabilities will be met by the ultimate owner, Neath Port Talbot County Borough Council.

**17. GOING CONCERN**

The directors are aware that the company's liabilities exceeded its assets at 31 March 2016.

The directors have considered the company's current financial and trading position and they are satisfied that based on the continued support of its parent company and ultimate owner, the company will continue to trade profitably and be able to meet its liabilities as they fall due.

On this basis the directors are satisfied that the going concern basis is appropriate for the preparation of the financial statements.

**RECONCILIATION OF EQUITY  
1 APRIL 2014  
(DATE OF TRANSITION TO FRS 102)**

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
<b>FIXED ASSETS</b>				
Tangible assets		<u>1,007,255</u>	-	<u>1,007,255</u>
<b>CURRENT ASSETS</b>				
Stocks		15,060	-	15,060
Debtors		488,300	-	488,300
Cash at bank and in hand		<u>521,020</u>	-	<u>521,020</u>
		<u>1,024,380</u>	-	<u>1,024,380</u>
<b>CREDITORS</b>				
Amounts falling due within one year		<u>(3,247,424)</u>	-	<u>(3,247,424)</u>
<b>NET CURRENT LIABILITIES</b>				
		<u>(2,223,044)</u>	-	<u>(2,223,044)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>				
		<u>(1,215,789)</u>	-	<u>(1,215,789)</u>
<b>NET LIABILITIES</b>				
		<u>(1,215,789)</u>	-	<u>(1,215,789)</u>
<b>CAPITAL AND RESERVES</b>				
Called up share capital		150,000	-	150,000
Retained earnings		<u>(1,365,789)</u>	-	<u>(1,365,789)</u>
<b>SHAREHOLDERS' FUNDS</b>				
		<u>(1,215,789)</u>	-	<u>(1,215,789)</u>

The notes form part of these financial statements

**RECONCILIATION OF EQUITY - continued**

**31 MARCH 2015**

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
<b>FIXED ASSETS</b>				
Tangible assets		<u>937,051</u>	-	<u>937,051</u>
<b>CURRENT ASSETS</b>				
Stocks		11,278	-	11,278
Debtors		310,014	-	310,014
Cash at bank and in hand		<u>1,003,662</u>	-	<u>1,003,662</u>
		<u>1,324,954</u>	-	<u>1,324,954</u>
<b>CREDITORS</b>				
Amounts falling due within one year		<u>(2,971,832)</u>	-	<u>(2,971,832)</u>
<b>NET CURRENT LIABILITIES</b>				
		<u>(1,646,878)</u>	-	<u>(1,646,878)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>				
		<u>(709,827)</u>	-	<u>(709,827)</u>
<b>NET LIABILITIES</b>				
		<u>(709,827)</u>	-	<u>(709,827)</u>
<b>CAPITAL AND RESERVES</b>				
Called up share capital		150,000	-	150,000
Retained earnings		<u>(859,827)</u>	-	<u>(859,827)</u>
<b>SHAREHOLDERS' FUNDS</b>				
		<u>(709,827)</u>	-	<u>(709,827)</u>

The notes form part of these financial statements

**RECONCILIATION OF PROFIT**  
**FOR THE YEAR ENDED 31 MARCH 2015**

	<b>UK GAAP £</b>	<b>Effect of transition to FRS 102 £</b>	<b>FRS 102 £</b>
<b>TURNOVER</b>	10,451,485	-	10,451,485
Cost of sales	<u>(5,152,099)</u>	<u>1,024</u>	<u>(5,151,075)</u>
<b>GROSS PROFIT</b>	5,299,386	1,024	5,300,410
Administrative expenses	<u>(4,780,779)</u>	<u>(1,024)</u>	<u>(4,781,803)</u>
<b>OPERATING PROFIT</b>	518,607	-	518,607
Interest receivable and similar income	179	-	179
Interest payable and similar charges	<u>(12,788)</u>	<u>-</u>	<u>(12,788)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	505,998	-	505,998
Tax on profit on ordinary activities	<u>(36)</u>	<u>-</u>	<u>(36)</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>	<u>505,962</u>	<u>-</u>	<u>505,962</u>

The notes form part of these financial statements