

# REGISTRAR'S COPY

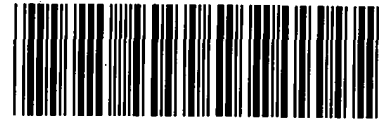
**NEATH PORT TALBOT (RECYCLING) LIMITED**

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

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2014**

TUESDAY



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COMPANIES HOUSE

**NEATH PORT TALBOT (RECYCLING) LIMITED**

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**FOR THE YEAR ENDED 31 MARCH 2014**

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**NEATH PORT TALBOT (RECYCLING) LIMITED**

**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 31 MARCH 2014**

**DIRECTORS:**

W Watson  
D Davies  
G J Nutt

**SECRETARY:**

A Bennett

**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

**NEATH PORT TALBOT (RECYCLING) LIMITED**

**STRATEGIC REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2014**

The directors present their strategic report for the year ended 31 March 2014.

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.

During the year the Board took a key strategic decision to suspend indefinitely the operation of the waste to energy plant

**REVIEW OF BUSINESS**

Turnover reduced by just over £1m as a result of reducing the gate fees charged to Neath Port Talbot and Bridgend Councils by 6% and a reduction in third party income, due in part to the closure of the waste to energy plant.

This was countered by significant reductions in operating costs of the business as a result of continuing efficiency programmes and the closure of the waste to energy plant.

The trading position of the company shows a dramatically better position during the second half of the year which is expected to continue into 2014/2015.

Overall, the net loss of £133k is an improvement from a loss of £343k in 2012/2013.

Net liabilities increased by £133k as a result of the loss for the year.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The day to day trading of the company is now more stable with waste flows predictable and the largest part of our income fixed. Recyclate income, although one of the smallest sources of income is however volatile.

A net profit is expected in 2014/2015 for the first time in some years.

During 2015/2016, Neath Port Talbot Council, through Neath Port Talbot Waste Management Ltd, the 100% owner of the company, will be undertaking a sale process for the plant. This has put on hold any significant capital investment plans and no longer term contracts can at present be entered into.

This inevitably introduces uncertainty in the medium term.

**ON BEHALF OF THE BOARD:**



D Davies - Director

11 December 2014

**NEATH PORT TALBOT (RECYCLING) LIMITED**

**REPORT OF THE DIRECTORS**  
**FOR THE YEAR ENDED 31 MARCH 2014**

The directors present their report with the financial statements of the company for the year ended 31 March 2014.

**DIVIDENDS**

No dividends will be distributed for the year ended 31 March 2014.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 April 2013 to the date of this report.

W Watson

D Davies

G J Nutt

**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 (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.

**NEATH PORT TALBOT (RECYCLING) LIMITED**

**REPORT OF THE DIRECTORS**  
**FOR THE YEAR ENDED 31 MARCH 2014**

**AUDITORS**

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

**ON BEHALF OF THE BOARD:**

A handwritten signature in black ink, appearing to read 'D Davies', is written over a horizontal line.

D Davies - Director

11 December 2014

**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 2014 on pages seven to sixteen. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

**Respective responsibilities of directors and auditors**

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

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the 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 2014 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 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: .....16/12/14.....



**NEATH PORT TALBOT (RECYCLING) LIMITED**

**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 MARCH 2014**

	Notes	2014 £	2013 £
<b>TURNOVER</b>		10,539,900	11,592,887
Cost of sales		<u>5,521,778</u>	<u>5,904,575</u>
<b>GROSS PROFIT</b>		5,018,122	5,688,312
Administrative expenses		<u>5,149,812</u>	<u>6,137,444</u>
		(131,690)	(449,132)
Other operating income		<u>-</u>	<u>105,882</u>
<b>OPERATING LOSS</b>	3	(131,690)	(343,250)
Interest receivable and similar income		<u>112</u>	<u>-</u>
		(131,578)	(343,250)
Interest payable and similar charges	4	<u>1,163</u>	<u>-</u>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(132,741)	(343,250)
Tax on loss on ordinary activities	5	<u>-</u>	<u>-</u>
<b>LOSS FOR THE FINANCIAL YEAR</b>		<u>(132,741)</u>	<u>(343,250)</u>

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the current year or previous year.

**TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses other than the losses for the current year or previous year.

The notes form part of these financial statements

**BALANCE SHEET**  
**31 MARCH 2014**

	Notes	2014		2013	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	6		1,007,255		268,633
<b>CURRENT ASSETS</b>					
Stocks	7	15,060		-	
Debtors	8	488,300		862,030	
Cash at bank and in hand		<u>521,020</u>		<u>1,315,676</u>	
		1,024,380		2,177,706	
<b>CREDITORS</b>					
Amounts falling due within one year	9	<u>3,247,424</u>		<u>3,529,387</u>	
<b>NET CURRENT LIABILITIES</b>			<u>(2,223,044)</u>		<u>(1,351,681)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>(1,215,789)</u>		<u>(1,083,048)</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	10		150,000		150,000
Profit and loss account	11		<u>(1,365,789)</u>		<u>(1,233,048)</u>
<b>SHAREHOLDERS' FUNDS</b>	15		<u>(1,215,789)</u>		<u>(1,083,048)</u>

The financial statements were approved by the Board of Directors on 11 December 2014 and were signed on its behalf by:



D Davies - Director

**NEATH PORT TALBOT (RECYCLING) LIMITED**

**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 MARCH 2014**

	Notes	2014 £	2013 £
<b>Net cash (outflow)/inflow from operating activities</b>	1	(443,157)	225,388
<b>Returns on investments and servicing of finance</b>	2	(1,051)	-
<b>Capital expenditure</b>	2	<u>(815,448)</u>	<u>(83,121)</u>
		(1,259,656)	142,267
<b>Financing</b>	2	<u>465,000</u>	<u>(170,000)</u>
<b>Decrease in cash in the period</b>		<u>(794,656)</u>	<u>(27,733)</u>
<hr/>			
<b>Reconciliation of net cash flow to movement in net funds</b>	3		
Decrease in cash in the period		<u>(794,656)</u>	<u>(27,733)</u>
Change in net funds resulting from cash flows		<u>(794,656)</u>	<u>(27,733)</u>
<b>Movement in net funds in the period</b>		(794,656)	(27,733)
<b>Net funds at 1 April</b>		<u>1,315,676</u>	<u>1,343,409</u>
<b>Net funds at 31 March</b>		<u>521,020</u>	<u>1,315,676</u>

The notes form part of these financial statements

**NEATH PORT TALBOT (RECYCLING) LIMITED**

**NOTES TO THE CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 MARCH 2014**

**1. RECONCILIATION OF OPERATING LOSS TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES**

	2014	2013
	£	£
Operating loss	(131,690)	(343,250)
Depreciation charges	76,826	133,457
Government grants	-	(110,898)
Increase in stocks	(15,060)	-
Decrease/(increase) in debtors	373,729	(27,682)
(Decrease)/increase in creditors	<u>(746,962)</u>	<u>573,761</u>
<b>Net cash (outflow)/inflow from operating activities</b>	<b><u>(443,157)</u></b>	<b><u>225,388</u></b>

**2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT**

	2014	2013
	£	£
<b>Returns on investments and servicing of finance</b>		
Interest received	112	-
Interest paid	<u>(1,163)</u>	<u>-</u>
<b>Net cash outflow for returns on investments and servicing of finance</b>	<b><u>(1,051)</u></b>	<b><u>-</u></b>
<b>Capital expenditure</b>		
Purchase of tangible fixed assets	<u>(815,448)</u>	<u>(83,121)</u>
<b>Net cash outflow for capital expenditure</b>	<b><u>(815,448)</u></b>	<b><u>(83,121)</u></b>
<b>Financing</b>		
New loans in year	465,000	-
Loan repayments in year	<u>-</u>	<u>(170,000)</u>
<b>Net cash inflow/(outflow) from financing</b>	<b><u>465,000</u></b>	<b><u>(170,000)</u></b>

The notes form part of these financial statements

**NEATH PORT TALBOT (RECYCLING) LIMITED**

**NOTES TO THE CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 MARCH 2014**

**3. ANALYSIS OF CHANGES IN NET FUNDS**

	At 1/4/13 £	Cash flow £	At 31/3/14 £
Net cash:			
Cash at bank and in hand	<u>1,315,676</u>	<u>(794,656)</u>	<u>521,020</u>
	<u>1,315,676</u>	<u>(794,656)</u>	<u>521,020</u>
 Total	 <u><u>1,315,676</u></u>	 <u><u>(794,656)</u></u>	 <u><u>521,020</u></u>

The notes form part of these financial statements

## **NEATH PORT TALBOT (RECYCLING) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 31 MARCH 2014**

#### **1. ACCOUNTING POLICIES**

##### **Basis of preparing the financial statements**

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.

##### **Accounting convention**

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

##### **Turnover**

Turnover represents net invoiced sales of goods, excluding value added tax.

##### **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 the profit and loss account on a straight line basis over the period of the lease.

**NEATH PORT TALBOT (RECYCLING) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 MARCH 2014**

**1. 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 the profit and loss account 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.

**2. STAFF COSTS**

	2014 £	2013 £
Wages and salaries	1,995,706	2,111,570
Social security costs	199,101	209,546
Other pension costs	<u>39,834</u>	<u>28,518</u>
	<u><u>2,234,641</u></u>	<u><u>2,349,634</u></u>

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

	2014	2013
Directors	3	3
Management and administration	6	6
Production	<u>60</u>	<u>67</u>
	<u><u>69</u></u>	<u><u>76</u></u>

**3. OPERATING LOSS**

The operating loss is stated after charging:

	2014 £	2013 £
Other operating leases	3,056	4,745
Depreciation - owned assets	76,826	133,457
Auditors' remuneration	10,273	6,810
Auditors' remuneration for non audit work	<u>1,705</u>	<u>1,705</u>
	<u><u>65,220</u></u>	<u><u>84,239</u></u>
Directors' remuneration	<u><u>65,220</u></u>	<u><u>84,239</u></u>

**NEATH PORT TALBOT (RECYCLING) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 MARCH 2014**

**3. OPERATING LOSS - continued**

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

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

**4. INTEREST PAYABLE AND SIMILAR CHARGES**

	2014	2013
	£	£
Loan	<u>1,163</u>	<u>-</u>

**5. TAXATION**

**Analysis of the tax charge**

No liability to UK corporation tax arose on ordinary activities for the year ended 31 March 2014 nor for the year ended 31 March 2013.

**6. TANGIBLE FIXED ASSETS**

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST</b>				
At 1 April 2013	3,498,793	55,505	10,000	3,564,298
Additions	<u>815,448</u>	<u>-</u>	<u>-</u>	<u>815,448</u>
At 31 March 2014	<u>4,314,241</u>	<u>55,505</u>	<u>10,000</u>	<u>4,379,746</u>
<b>DEPRECIATION</b>				
At 1 April 2013	3,230,252	55,414	9,999	3,295,665
Charge for year	<u>76,735</u>	<u>91</u>	<u>-</u>	<u>76,826</u>
At 31 March 2014	<u>3,306,987</u>	<u>55,505</u>	<u>9,999</u>	<u>3,372,491</u>
<b>NET BOOK VALUE</b>				
At 31 March 2014	<u>1,007,254</u>	<u>-</u>	<u>1</u>	<u>1,007,255</u>
At 31 March 2013	<u>268,541</u>	<u>91</u>	<u>1</u>	<u>268,633</u>

**7. STOCKS**

	2014	2013
	£	£
Stocks	<u>15,060</u>	<u>-</u>



**NEATH PORT TALBOT (RECYCLING) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 MARCH 2014**

**8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2014	2013
	£	£
Trade debtors	422,129	700,663
Amounts owed by group undertakings	-	48,126
Other debtors	26,371	49,954
Prepayments and accrued income	<u>39,800</u>	<u>63,287</u>
	<u>488,300</u>	<u>862,030</u>

**9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2014	2013
	£	£
Trade creditors	1,155,654	1,948,335
Amounts owed to group undertakings	317,100	-
Social security and other taxes	49,682	65,716
VAT	143,243	100,458
Other creditors	671,852	10,332
Payments received in advance	852,474	852,474
Accrued expenses	<u>57,419</u>	<u>552,072</u>
	<u>3,247,424</u>	<u>3,529,387</u>

**10. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2014	2013
			£	£
150,000	Ordinary	£1	<u>150,000</u>	<u>150,000</u>

**11. RESERVES**

	Profit and loss account £
At 1 April 2013	(1,233,048)
Deficit for the year	<u>(132,741)</u>
At 31 March 2014	<u>(1,365,789)</u>

**NEATH PORT TALBOT (RECYCLING) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 MARCH 2014**

**12. 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 £39,834 (2013:£28,518).

**13. ULTIMATE PARENT COMPANY**

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

**14. RELATED PARTY DISCLOSURES**

The company has taken advantage of exemptions under Financial Reporting Standard 8, Related part disclosures, not to disclose related party transactions involving subsidiaries (party to the transactions) which are wholly owned by a member of the group.

Included in other creditors is an amount of £465,000 due to Celtic Energy Limited, a company in which Mr W Watson is a director.

**Green Energy (South Wales) Limited**

A company in which the parent company has a 50% interest

The company paid compensation to Green Energy (South Wales) Limited of £100,000 in respect of the termination of a contract.

**15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2014 £	2013 £
Loss for the financial year	<u>(132,741)</u>	<u>(343,250)</u>
<b>Net reduction of shareholders' funds</b>	<b>(132,741)</b>	<b>(343,250)</b>
Opening shareholders' funds	<u>(1,083,048)</u>	<u>(739,798)</u>
<b>Closing shareholders' funds</b>	<b><u>(1,215,789)</u></b>	<b><u>(1,083,048)</u></b>

**16. GOING CONCERN**

The directors are aware that the company's liabilities exceeded its assets at 31 March 2014.

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.