

Company registration number 05295622 (England and Wales)

SOUTH WALES TRANSPORT (NEATH) LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022
PAGES FOR FILING WITH REGISTRAR

SOUTH WALES TRANSPORT (NEATH) LIMITED

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SOUTH WALES TRANSPORT (NEATH) LIMITED

ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF SOUTH WALES TRANSPORT (NEATH) LIMITED FOR THE YEAR ENDED 31 AUGUST 2022

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of South Wales Transport (Neath) Limited for the year ended 31 August 2022 which comprise, the balance sheet and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <https://www.icaew.com/regulation>.

This report is made solely to the board of directors of South Wales Transport (Neath) Limited, as a body, in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the financial statements of South Wales Transport (Neath) Limited and state those matters that we have agreed to state to the board of directors of South Wales Transport (Neath) Limited, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than South Wales Transport (Neath) Limited and its board of directors as a body, for our work or for this report.

It is your duty to ensure that South Wales Transport (Neath) Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of South Wales Transport (Neath) Limited. You consider that South Wales Transport (Neath) Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of South Wales Transport (Neath) Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

WBV Limited

31 May 2023

Chartered Accountants

The Third Floor
Langdon House, Langdon Road
SA1 Swansea Waterfront
Swansea
Wales
SA1 8QY

SOUTH WALES TRANSPORT (NEATH) LIMITED

BALANCE SHEET

AS AT 31 AUGUST 2022

		2022	2021
	Notes	£	£
Fixed assets			
Intangible assets	3	5,333	7,333
Tangible assets	4	1,321,348	1,257,566
		<u>1,326,681</u>	<u>1,264,899</u>
Current assets			
Stocks		33,880	30,800
Debtors	5	528,967	472,125
Cash at bank and in hand		49,654	6,148
		<u>612,501</u>	<u>509,073</u>
Creditors: amounts falling due within one year	6	<u>(763,392)</u>	<u>(713,568)</u>
Net current liabilities		<u>(150,891)</u>	<u>(204,495)</u>
Total assets less current liabilities		<u>1,175,790</u>	<u>1,060,404</u>
Creditors: amounts falling due after more than one year	7	(799,693)	(740,491)
Provisions for liabilities		(238,862)	(220,309)
Deferred income		<u>(55,734)</u>	<u>(39,388)</u>
Net assets		<u>81,501</u>	<u>60,216</u>
Capital and reserves			
Called up share capital	9	100	100
Profit and loss reserves		81,401	60,116
Total equity		<u>81,501</u>	<u>60,216</u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 August 2022 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

SOUTH WALES TRANSPORT (NEATH) LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 AUGUST 2022

The financial statements were approved by the board of directors and authorised for issue on 31 May 2023 and are signed on its behalf by:

Mr DR Fowles
Director

Mr DB Fowles
Director

Company Registration No. 05295622

SOUTH WALES TRANSPORT (NEATH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

Company information

South Wales Transport (Neath) Limited is a private company limited by shares incorporated in England and Wales. The registered office is Unit 2, Ferryboat Close, Swansea Enterprise Park, Llansamlet, Swansea, West Glamorgan, SA6 8QN.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

1.2 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

1.3 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life of twenty years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

SOUTH WALES TRANSPORT (NEATH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold land and buildings	5% on cost
Plant and equipment	10% on cost
Fixtures and fittings	20% on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the 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 an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

SOUTH WALES TRANSPORT (NEATH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that 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 payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts 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 creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

SOUTH WALES TRANSPORT (NEATH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

1.14 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

SOUTH WALES TRANSPORT (NEATH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2022 Number	2021 Number
Total	50	45

3 Intangible fixed assets

	Goodwill £
Cost	
At 1 September 2021 and 31 August 2022	40,000
Amortisation and impairment	
At 1 September 2021	32,667
Amortisation charged for the year	2,000
At 31 August 2022	34,667
Carrying amount	
At 31 August 2022	5,333
At 31 August 2021	7,333

4 Tangible fixed assets

	Land and buildings £	Plant and machinery etc £	Total £
Cost			
At 1 September 2021	42,411	2,080,077	2,122,488
Additions	-	311,712	311,712
Disposals	-	(62,810)	(62,810)
At 31 August 2022	42,411	2,328,979	2,371,390
Depreciation and impairment			
At 1 September 2021	1,873	863,049	864,922
Depreciation charged in the year	2,030	208,214	210,244
Eliminated in respect of disposals	-	(25,124)	(25,124)
At 31 August 2022	3,903	1,046,139	1,050,042
Carrying amount			
At 31 August 2022	38,508	1,282,840	1,321,348
At 31 August 2021	40,538	1,217,028	1,257,566

SOUTH WALES TRANSPORT (NEATH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

5 Debtors

	2022	2021
	£	£
Amounts falling due within one year:		
Trade debtors	113,955	26,942
Other debtors	415,012	445,183
	<u>528,967</u>	<u>472,125</u>

6 Creditors: amounts falling due within one year

	2022	2021
	£	£
Bank loans and overdrafts	-	10,587
Trade creditors	79,016	56,553
Corporation tax	34,547	70,971
Other taxation and social security	50,266	49,464
Other creditors	599,563	525,993
	<u>763,392</u>	<u>713,568</u>

7 Creditors: amounts falling due after more than one year

	2022	2021
	£	£
Bank loans and overdrafts	127,778	161,111
Other creditors	671,915	579,380
	<u>799,693</u>	<u>740,491</u>

8 Secured debts

	2022	2021
	£	£
Bank loans	127,778	161,111
Bank overdrafts	-	10,587
Hire purchase contracts and finance leases	783,751	823,898
Other loans	33,333	33,333
	<u>944,862</u>	<u>1,028,929</u>
Payable within one year	271,728	288,438
Payable after one year	673,134	740,491

The above amounts are included within creditors.

SOUTH WALES TRANSPORT (NEATH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

9 Called up share capital

	2022	2021	2022	2021
	Number	Number	£	£
Ordinary share capital				
Issued and fully paid				
Ordinary shares of £1 each	100	100	100	100
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

10 Financial commitments, guarantees and contingent liabilities

The total financial commitments as at 31 August 2022 not included on the balance sheet amount to £284,770 (2021: £544,895).

11 Directors' transactions

Dividends totalling £75,000 (2021 - £100,000) were paid in the year in respect of shares held by the company's directors.

Description	% Rate	Opening balance	Amounts advanced	Amounts repaid	Closing balance
		£	£	£	£
D B Fowles -	-	10,948	21,840	(11,250)	21,538
Mr DB Fowles -	-	11,011	42,762	(39,000)	14,773
		<u>21,959</u>	<u>64,602</u>	<u>(50,250)</u>	<u>36,311</u>

12 Ultimate Controlling Party

The ultimate controlling party is Mr D R Fowles.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.