

REGISTERED NUMBER: ZC000173

**THE COMPANY OF PROPRIETORS OF THE NEATH
CANAL NAVIGATION**

REPORT OF THE DIRECTORS AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 24 JUNE 2013

Bevan & Buckland
Chartered Accountants
And Statutory Auditors
Langdon House
Langdon Road
SA1 Swansea Waterfront
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**THE COMPANY OF PROPRIETORS OF THE NEATH
CANAL NAVIGATION**

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FOR THE YEAR ENDED 24 JUNE 2013**

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**THE COMPANY OF PROPRIETORS OF THE NEATH
CANAL NAVIGATION**

**COMPANY INFORMATION
FOR THE YEAR ENDED 24 JUNE 2013**

DIRECTORS:	N Williams S J Burke R Joseland M E Dunn G Nutt M Wassell G Hughes
SECRETARY:	St Modwen Corporate Services Limited
REGISTERED OFFICE:	Sir Stanley Clarke House 7 Ridgeway Quinton Business Park Birmingham B32 1AF
REGISTERED NUMBER:	ZC000173
SENIOR STATUTORY AUDITOR	Henry Lloyd Davies
AUDITORS	Bevan & Buckland Chartered Accountants And Statutory Auditors Langdon House Langdon Road SA1 Swansea Waterfront Swansea SA1 8QY
BANKERS	Barclays Bank PLC Neath Business Centre P O Box 350 Neath SA1 1EW

**THE COMPANY OF PROPRIETORS OF THE NEATH
CANAL NAVIGATION**

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 24 JUNE 2013**

The directors present their report with the financial statements of the company for the year ended 24 June 2013

PRINCIPAL ACTIVITIES

The principal activities of the company in the year under review were those of supplying water to industrial concerns and undertaking environmental improvement projects along the Neath Canal

REVIEW OF BUSINESS

The profit for the year, after taxation, amounted to £96,454 (2012 Loss of £100,984) The Committee does not recommend a payment of a dividend

DIVIDENDS

No dividends will be distributed for the year ended 24 June 2013

DIRECTORS

The directors shown below have held office during the whole of the period from 25 June 2012 to the date of this report

N Williams
S J Burke
R Joseland
M E Dunn
G Nutt
M Wassell
G Hughes

POLITICAL AND CHARITABLE CONTRIBUTIONS

There were no political or charitable donations made during the year

FORM OF THE ACCOUNTS

The Company of Proprietors of the Neath Canal Navigation is incorporated under the Neath Canal Navigation Act 1791

The Committee has considered it appropriate to have accounts prepared to comply with the requirements of the Companies Act 2006 and the attached financial statements have been drawn up accordingly

POLITICAL AND CHARITABLE CONTRIBUTIONS

The total political or charitable contributions made during the year did not exceed £200

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 COMPANY OF PROPRIETORS OF THE NEATH
CANAL NAVIGATION**

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 24 JUNE 2013**

STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued

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.

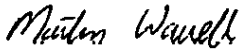
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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.

AUDITORS

The auditors, Bevan & Buckland, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD.



M Wassell - Director

Date 11 03 14

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE COMPANY OF PROPRIETORS OF THE NEATH
CANAL NAVIGATION**

We have audited the financial statements of The Company of Proprietors of the Neath Canal Navigation for the year ended 24 June 2013 on pages six 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 pages two and 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 Report of the Directors to identify material inconsistencies with the audited financial statements. 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 24 June 2013 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 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
THE COMPANY OF PROPRIETORS OF THE NEATH
CANAL NAVIGATION**

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



Henry Lloyd Davies (Senior Statutory Auditor)
for and on behalf of Bevan & Buckland
Chartered Accountants
And Statutory Auditors
Langdon House
Langdon Road
SA1 Swansea Waterfront
Swansea
SA1 8QY

Date 11th March 2014

**THE COMPANY OF PROPRIETORS OF THE NEATH
CANAL NAVIGATION**

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 24 JUNE 2013**

	Notes	2013 £	2012 £
TURNOVER		333,240	143,835
Administrative expenses		(236,932)	(245,354)
OPERATING PROFIT/(LOSS)	3	96,308	(101,519)
Interest receivable and similar income		183	535
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		96,491	(100,984)
Tax on profit/(loss) on ordinary activities	4	(37)	-
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		<u>96,454</u>	<u>(100,984)</u>

CONTINUING OPERATIONS

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

**THE COMPANY OF PROPRIETORS OF THE NEATH
CANAL NAVIGATION**

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 24 JUNE 2013**

	2013 £	2012 £
PROFIT/(LOSS) FOR THE FINANCIAL YEAR	96,454	(100,984)
Unrealised surplus on revaluation of properties	10,000	49,900
	<hr/>	<hr/>
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u>106,454</u>	<u>(51,084)</u>

The notes form part of these financial statements

**THE COMPANY OF PROPRIETORS OF THE NEATH
CANAL NAVIGATION (REGISTERED NUMBER: ZC000173)**

**BALANCE SHEET
24 JUNE 2013**

	Notes	2013 £	2012 £
FIXED ASSETS			
Tangible assets	5	3,134,073	3,229,051
Investment property	6	60,000	-
		<u>3,194,073</u>	<u>3,229,051</u>
CURRENT ASSETS			
Stocks	7	1,252	2,684
Debtors	8	25,477	65,339
Cash at bank and in hand		69,414	105,965
		<u>96,143</u>	<u>173,988</u>
CREDITORS			
Amounts falling due within one year	9	27,963	33,714
		<u>27,963</u>	<u>33,714</u>
NET CURRENT ASSETS		<u>68,180</u>	<u>140,274</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,262,253</u>	<u>3,369,325</u>
ACCRUALS AND DEFERRED INCOME	10	<u>3,132,784</u>	<u>3,346,310</u>
NET ASSETS		<u><u>129,469</u></u>	<u><u>23,015</u></u>
CAPITAL AND RESERVES			
Called up share capital	11	29,640	29,640
Revaluation reserve	12	59,900	49,900
Other reserves	12	6,370	6,370
Profit and loss account	12	33,559	(62,895)
	15	<u><u>129,469</u></u>	<u><u>23,015</u></u>

The financial statements were approved by the Board of Directors on 11 03 14 and were signed on its behalf by

Martin Wassell

M Wassell - Director

**THE COMPANY OF PROPRIETORS OF THE NEATH
CANAL NAVIGATION**

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 24 JUNE 2013**

	Notes	2013 £	2012 £
Net cash outflow from operating activities	1	(36,734)	(108,638)
Returns on investments and servicing of finance	2	183	535
Taxation		-	(166)
Capital expenditure	2	-	(6,178)
Decrease in cash in the period		<u>(36,551)</u>	<u>(114,447)</u>
<hr/>			
Reconciliation of net cash flow to movement in net funds	3		
Decrease in cash in the period		<u>(36,551)</u>	<u>(114,447)</u>
Change in net funds resulting from cash flows		<u>(36,551)</u>	<u>(114,447)</u>
Movement in net funds in the period		<u>(36,551)</u>	<u>(114,447)</u>
Net funds at 25 June		<u>105,965</u>	<u>220,412</u>
Net funds at 24 June		<u>69,414</u>	<u>105,965</u>

The notes form part of these financial statements

**THE COMPANY OF PROPRIETORS OF THE NEATH
CANAL NAVIGATION**

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 24 JUNE 2013**

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

	2013 £	2012 £
Operating profit/(loss)	96,308	(101,519)
Depreciation charges	44,978	49,131
Decrease/(increase) in stocks	1,432	(2)
Decrease in debtors	39,862	461
Decrease in creditors	(219,314)	(56,709)
Net cash outflow from operating activities	(36,734)	(108,638)

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

	2013 £	2012 £
Returns on investments and servicing of finance		
Interest received	183	535
Net cash inflow for returns on investments and servicing of finance	183	535
 Capital expenditure		
Purchase of tangible fixed assets	-	(6,178)
Net cash outflow for capital expenditure	-	(6,178)

3 ANALYSIS OF CHANGES IN NET FUNDS

	At 25 6 12 £	Cash flow £	At 24 6 13 £
Net cash			
Cash at bank and in hand	105,965	(36,551)	69,414
	<u>105,965</u>	<u>(36,551)</u>	<u>69,414</u>
 Total	 <u>105,965</u>	 <u>(36,551)</u>	 <u>69,414</u>

**THE COMPANY OF PROPRIETORS OF THE NEATH
CANAL NAVIGATION**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 24 JUNE 2013**

1 ACCOUNTING POLICIES

Basis of accounting

The accounts have been prepared on the historical cost basis of accounting. The accounts comply with all applicable UK accounting standards. Compliance with SSAP 19 "Accounting for investment properties" requires departure from the Companies Act 2006 relating to depreciation and an explanation of the departure is given below.

Turnover

Turnover, which is stated net of value added tax, represents charges to customers for the supply of water and rents, tolls and recharges due, and contract work undertaken and is all in respect of continuing operations.

Tangible fixed assets

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

Expenditure on canal improvements	1% Straight Line
Motor vehicles	25% Straight Line
Other equipment	12.5% Straight Line
Office equipment	10% Straight Line
Computer equipment	33.3% Straight Line

Assets are regularly reviewed for indications of impairment.

Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in market value is transferred to a revaluation reserve.

Investment properties are revalued annually. Surplus or deficits on individual properties are transferred to the revaluation reserve, except that a deficit is expected to be permanent and which is in excess of any previously recognised surplus over cost relating to the same property, or the reversal of such a deficit is charged/(credited) to the profit and loss account.

No depreciation is provided in respect of investment properties. The Companies Act 2006 requires all properties to be depreciated. However, this requirement conflicts with the generally accepted accounting principle set out in SSAP19. The directors consider that, because these properties are not held for consumption but for their investment potential, to depreciate them would not give a true and fair view, and that it is necessary to adopt SSAP19 in order to give a true and fair view.

If this departure from the Act had not been made, the profit for the financial year would have been reduced by depreciation. However, the amount of depreciation cannot reasonably be quantified because depreciation is only one of many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

Stocks

Stocks are stated at the lower of cost and net realisable value.

Deferred tax

The company provides for deferred taxation to take full account of timing differences between the treatment of certain items for accounting purposes and their treatment for tax purposes.

**THE COMPANY OF PROPRIETORS OF THE NEATH
CANAL NAVIGATION**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 24 JUNE 2013**

1 ACCOUNTING POLICIES - continued

Hire purchase and leasing commitments

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives. The capital elements of future obligations under the leases and hire purchase contracts are included as liabilities in the balance sheet.

The interest elements of the rental obligations are charged in the profit and loss account over the periods of the leases and hire purchase contracts and represent a constant proportion of the balance of capital repayments outstanding.

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

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.

Deferred income

Income received is released to the income and expenditure account to evenly match the period it relates to. This gives rise to a deferred income figure which is shown as a short term creditor in the accounts.

Capital grants

Capital grants are deferred as a creditor in the balance sheet and released to the Income and Expenditure account over the life of the project to which they refer.

2 STAFF COSTS

	2013 £	2012 £
Wages and salaries	52,904	50,988
Social security costs	5,219	5,057
Other pension costs	2,285	2,248
	<u>60,408</u>	<u>58,293</u>

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

	2013	2012
Administration	<u>2</u>	<u>2</u>

**THE COMPANY OF PROPRIETORS OF THE NEATH
CANAL NAVIGATION**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 24 JUNE 2013**

3 OPERATING PROFIT/(LOSS)

The operating profit (2012 - operating loss) is stated after charging/(crediting)

	2013 £	2012 £
Hire of plant and machinery	3,628	3,998
Depreciation - owned assets	44,978	49,131
Auditors' remuneration for non audit work	2,978	5,100
Auditor's remuneration - Audit	3,200	2,500
Auditor's remuneration - prior years over provision	(3,188)	-
	<u> </u>	<u> </u>
Directors' remuneration	<u> </u> -	<u> </u> -

4 TAXATION

Analysis of the tax charge

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

	2013 £	2012 £
Current tax		
UK corporation tax	37	-
	<u> </u>	<u> </u>
Tax on profit/(loss) on ordinary activities	<u> </u> 37	<u> </u> -

UK corporation tax has been charged at 20%

Factors affecting the tax charge

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

	2013 £	2012 £
Profit/(loss) on ordinary activities before tax	96,491	(100,984)
	<u> </u>	<u> </u>
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2012 - 20%)	19,298	(20,197)
Effects of		
Expenses not deductible for tax purposes	1,100	975
Income not taxable for tax purposes	-	(9,249)
Depreciation in excess of capital allowances	8,163	8,703
Utilisation of tax losses	(28,524)	-
tax purposes		
Loss carried forward	-	19,768
	<u> </u>	<u> </u>
Current tax charge	<u> </u> 37	<u> </u> -

**THE COMPANY OF PROPRIETORS OF THE NEATH
CANAL NAVIGATION**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 24 JUNE 2013**

5 TANGIBLE FIXED ASSETS

	Freehold property £	Improvement to canal £	Plant and machinery £	Fixtures & fittings £	Totals £
COST					
At 25 June 2012	50,000	4,465,617	189,557	17,954	4,723,128
Reclassification/transfer	(50,000)	-	-	-	(50,000)
At 24 June 2013	-	4,465,617	189,557	17,954	4,673,128
DEPRECIATION					
At 25 June 2012	-	1,288,439	187,684	17,954	1,494,077
Charge for year	-	44,395	583	-	44,978
At 24 June 2013	-	1,332,834	188,267	17,954	1,539,055
NET BOOK VALUE					
At 24 June 2013	-	3,132,783	1,290	-	3,134,073
At 24 June 2012	50,000	3,177,178	1,873	-	3,229,051

6 INVESTMENT PROPERTY

	Total £
COST OR VALUATION	
Revaluations	10,000
Reclassification/transfer	50,000
At 24 June 2013	60,000
NET BOOK VALUE	
At 24 June 2013	60,000

Cost or valuation at 24 June 2013 is represented by

	£
Valuation in 2012	49,900
Valuation in 2013	10,000
Cost	100
	60,000

Investment property was valued on an open market basis on 31 May 2013 by Jones Lang LaSalle

7 STOCKS

	2013 £	2012 £
Stocks	1,252	2,684

**THE COMPANY OF PROPRIETORS OF THE NEATH
CANAL NAVIGATION**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 24 JUNE 2013**

8 DEBTORS. AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013 £	2012 £
Trade debtors	10,795	48,368
Prepayments and accrued income	14,682	16,971
	<u>25,477</u>	<u>65,339</u>

9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013 £	2012 £
Trade creditors	228	3,308
Tax	37	-
Social security and other taxes	1,804	1,242
VAT	2,662	1,360
Accruals and deferred income	23,232	27,804
	<u>27,963</u>	<u>33,714</u>

10 ACCRUALS AND DEFERRED INCOME

	2013 £	2012 £
Deferred government grants	<u>3,132,784</u>	<u>3,346,310</u>
Analysis of Deferred Income	2013 £	2012 £
Brought Forward	3,346,310	3,392,555
Released to Profit & Loss Account	<u>(213,527)</u>	<u>(46,245)</u>
Carried Forward	<u>3,132,783</u>	<u>3,346,310</u>

Of the £3,132,783 carried forward figure, £1,105,648 relates to grants received for the restoration of polluted sections of the Neath canal £1,976,132 relates to grants received for the restoration of Ynysbwilog Aqueduct and Three Locks. The remaining £51,003 relates to the restoration of Tonna lock. The grants have been capitalised and deferred into the future, to be released as income into the profit and loss account and matched against the depreciation of the restoration work. These figures are after the release of £213,527 in the year. The increased release is a result of the sign off of works and grants so the board has released additional deferred income to align the grants with the net book value of the assets they relate.

The deferred restoration grant includes a contribution of £155,000 from the company's former parent company, BP Amoco plc.

**THE COMPANY OF PROPRIETORS OF THE NEATH
CANAL NAVIGATION**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 24 JUNE 2013**

11 CALLED UP SHARE CAPITAL

	2013 £	2012 £
Authorised by Section 16 and 18 of Neath Canal Navigation Act 1791	35,000	35,000
Allotted, called up and fully paid 247 shares of £120 each	29,640	29,640

12 RESERVES

	Profit and loss account £	Revaluation reserve £	Other reserves £	Totals £
At 25 June 2012	(62,895)	49,900	6,370	(6,625)
Profit for the year	96,454			96,454
Property revaluation	-	10,000	-	10,000
At 24 June 2013	33,559	59,900	6,370	99,829

13 ULTIMATE PARENT COMPANY

The ultimate parent undertaking of the group of undertakings for which group accounts are drawn up, and of which the Company is a member, is St Modwen Properties Plc, registered in England and Wales. Copies of the accounts of St Modwen Properties Plc may be obtained from Sir Stanley Clarke House, 7 Ridgeway, Quinton Business Park, Birmingham, B32 1AF.

14 RELATED PARTY DISCLOSURES

The Director Mr G Nutt is appointed to the board of directors on behalf of Neath Port Talbot County Borough Council. During the year the company made sales of £57,728 to Neath Port Talbot County Borough Council and took place at arms length.

15 RECONCILIATION OF MOVEMENTS IN RESERVES

	2013 £	2012 £
Profit/(loss) for the financial year	96,454	(100,984)
Other recognised gains and losses relating to the year (net)	10,000	49,900
Net addition/(reduction) to reserves	106,454	(51,084)
Opening reserves	23,015	74,099
Closing reserves	129,469	23,015

16 GOING CONCERN

St Modwen Properties Plc have provided Neath Canal Navigation a letter to confirm their continued support for at least 12 months from the date the 2013 statutory accounts have been signed.