

**Report of the Directors and  
Financial Statements  
for the Year Ended 31 December 2014  
for  
Swanage Railway Company Limited**

**Swanage Railway Company Limited**

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for the Year Ended 31 December 2014**

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**Swanage Railway Company Limited**

**Company Information  
for the Year Ended 31 December 2014**

**DIRECTORS:** Mr G C Johns  
Mr A L Moore  
Lt. Cdr K M Potts RN  
Mrs E M Sellen  
Mr P N Sills  
Mr M R Woolley  
Mr T J Parsons

**SECRETARY:** Mr P J Milford

**REGISTERED OFFICE:** The Station House  
Swanage  
Dorset  
BH19 1HB

**REGISTERED NUMBER:** 01412568 (England and Wales)

**SENIOR STATUTORY AUDITOR:** Ian M Rodd

**AUDITORS:** Ward Goodman  
Registered Auditor  
4 Cedar Park  
Cobham Road  
Ferndown Industrial Estate  
Wimborne  
Dorset  
BH21 7SF

**Swanage Railway Company Limited**

**Report of the Directors  
for the Year Ended 31 December 2014**

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

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2014 to the date of this report.

Mr G C Johns  
Mr A L Moore  
Lt. Cdr K M Potts RN  
Mrs E M Sellen  
Mr P N Sills  
Mr M R Woolley

Other changes in directors holding office are as follows:

Mr T J Parsons - appointed 25 October 2014

**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 or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**AUDITORS**

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

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

**ON BEHALF OF THE BOARD:**

  
.....  
Mr P J Milford - Secretary

Date: 22nd June 2015

**Report of the Independent Auditors to the Members of  
Swanage Railway Company Limited**

We have audited the financial statements of Swanage Railway Company Limited for the year ended 31 December 2014 on pages five to twelve. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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

**Respective responsibilities of directors and auditors**

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

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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the 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 December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Opinion on other matter prescribed by the Companies Act 2006**

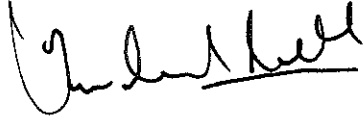
In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Report of the Independent Auditors to the Members of  
Swanage Railway Company 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.



Ian M Rodd (Senior Statutory Auditor)  
for and on behalf of Ward Goodman  
Registered Auditor  
4 Cedar Park  
Cobham Road  
Ferndown Industrial Estate  
Wimborne  
Dorset  
BH21 7SF

Date: 22<sup>nd</sup> June 2015

**Swanage Railway Company Limited**

**Profit and Loss Account  
for the Year Ended 31 December 2014**

	Notes	2014 £	2013 as restated £
<b>TURNOVER</b>		2,596,979	2,369,446
Cost of sales		977,051	851,535
<b>GROSS PROFIT</b>		1,619,928	1,517,911
Administrative expenses		1,508,855	1,448,702
<b>OPERATING PROFIT</b>	2	111,073	69,209
Interest payable and similar charges		3,925	1,469
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		107,148	67,740
Tax on profit on ordinary activities	3	-	-
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		107,148	67,740
Extraordinary items after taxation	4	-	(67,740)
<b>PROFIT FOR THE FINANCIAL YEAR</b>		107,148	-

The notes form part of these financial statements

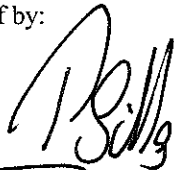
Swanage Railway Company Limited (Registered number: 01412568)

Balance Sheet  
31 December 2014

	Notes	2014		2013 as restated	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	6		3,013,724		2,219,351
<b>CURRENT ASSETS</b>					
Stocks	7	92,148		101,620	
Debtors	8	172,461		62,748	
Cash at bank and in hand		205,785		152,190	
			<u>470,394</u>		<u>316,558</u>
<b>CREDITORS</b>					
Amounts falling due within one year	9	854,126		418,433	
			<u>(383,732)</u>		<u>(101,875)</u>
<b>NET CURRENT LIABILITIES</b>					
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
			<u>2,629,992</u>		<u>2,117,476</u>
<b>CREDITORS</b>					
Amounts falling due after more than one year	10		1,537,637		1,132,269
			<u>1,092,355</u>		<u>985,207</u>
<b>NET ASSETS</b>					
<b>CAPITAL AND RESERVES</b>					
Called up share capital	12		486,963		486,963
Profit and loss account	13		605,392		498,244
			<u>1,092,355</u>		<u>985,207</u>
<b>SHAREHOLDERS' FUNDS</b>					

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Board of Directors on 22nd June '15 and were signed on its behalf by:



Mr P N Sills - Director



**Swanage Railway Company Limited**

**Notes to the Financial Statements  
for the Year Ended 31 December 2014**

**1. ACCOUNTING POLICIES**

**Accounting convention**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

**Turnover**

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

Turnover represents the amount derived from the operation of the Swanage Railway and related activities, net of discounts and 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.

Land & buildings	- 10% on cost
Plant and machinery	- 20% on reducing balance
Shop fittings & equipment	- 20% on reducing balance
Locomotives & Rolling stock	- 10% 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.

**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.

**Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

**Financial instruments**

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

**Grants**

**Capital Grants**

Capital grants received by the company are shown on the balance sheet by including the grant in creditors as deferred income. The grant is released to the Profit and Loss Account in accordance with the depreciation policy of the asset to which the grant relates.

**Revenue Grants**

Revenue grants are recognised as income over the period necessary to match them with the related costs which they are intended to compensate, on a systematic basis.

**Swanage Railway Company Limited**

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2014**

**2. OPERATING PROFIT**

The operating profit is stated after charging:

	2014	2013 as restated
	£	£
Depreciation - owned assets	136,190	142,886
Loss on disposal of fixed assets	12,443	-
Auditors' remuneration	5,970	5,700
	<u>          </u>	<u>          </u>
Directors' remuneration and other benefits etc	-	-
	<u>          </u>	<u>          </u>

**3. TAXATION**

**Analysis of the tax charge**

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

**4. EXTRAORDINARY ITEMS**

	2014	2013 as restated
	£	£
Profits gifted to Swanage Railway Trust	-	(67,740)
	<u>          </u>	<u>          </u>

**5. PRIOR YEAR ADJUSTMENT**

The 2013 figures have been restated to better represent the nature of the company's activities. There is no effect on the profit for the year.

Swanage Railway Company Limited

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2014

6. TANGIBLE FIXED ASSETS

	Land & buildings £	Assets under construction £	Plant and machinery £
<b>COST</b>			
At 1 January 2014	781,158	-	502,035
Additions	609	862,562	52,068
Disposals	-	-	(40,667)
Reclassification	(561,005)	1,048,829	(189,783)
Transfer of completed assets	278,803	(296,978)	13,603
At 31 December 2014	499,565	1,614,413	337,256
<b>DEPRECIATION</b>			
At 1 January 2014	89,738	-	291,927
Charge for year	25,915	-	29,437
Eliminated on disposal	-	-	(28,366)
Reclassification	(19,991)	-	(122,497)
At 31 December 2014	95,662	-	170,501
<b>NET BOOK VALUE</b>			
At 31 December 2014	403,903	1,614,413	166,755
At 31 December 2013	691,420	-	210,108

	Shop fittings & equipment £	Locomotives & Rolling stock £	Permanent Way & other assets £	Totals £
<b>COST</b>				
At 1 January 2014	41,790	764,095	1,062,920	3,151,998
Additions	949	-	15,287	931,475
Disposals	(300)	-	-	(40,967)
Reclassification	(864)	(119,174)	(293,348)	(115,345)
Transfer of completed assets	-	4,572	-	-
At 31 December 2014	41,575	649,493	784,859	3,927,161
<b>DEPRECIATION</b>				
At 1 January 2014	19,943	429,154	101,885	932,647
Charge for year	4,372	47,940	28,526	136,190
Eliminated on disposal	(157)	-	-	(28,523)
Reclassification	(2,384)	(48,347)	66,342	(126,877)
At 31 December 2014	21,774	428,747	196,753	913,437
<b>NET BOOK VALUE</b>				
At 31 December 2014	19,801	220,746	588,106	3,013,724
At 31 December 2013	21,847	334,941	961,035	2,219,351

An exercise was undertaken during the year to update the fixed asset register to separate the disclosure of assets under construction from completed assets and to document all existing assets in detail. The reclassifications as shown were necessary to bring the accounts in line with the fixed asset register.

**Swanage Railway Company Limited**

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2014**

**7. STOCKS**

	2014	2013 as restated
	£	£
Shop stock for resale	73,348	77,574
Catering stock	4,259	4,155
Consumable stock	10,462	13,912
Special events stock	4,079	5,979
	<u>92,148</u>	<u>101,620</u>

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

	2014	2013 as restated
	£	£
Trade debtors	36,087	8,205
VAT	115,777	54,119
Prepayments	20,597	424
	<u>172,461</u>	<u>62,748</u>

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

	2014	2013 as restated
	£	£
Bank loans and overdrafts	39,684	-
Trade creditors	493,460	154,782
Amounts owed to group undertakings	93,454	111,134
Social security and other taxes	18,551	13,437
Other creditors	31,910	48,838
Deferred income	133,120	-
Accrued expenses	43,947	90,242
	<u>854,126</u>	<u>418,433</u>

**10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2014	2013 as restated
	£	£
Amounts owed to group undertakings	3,029	31,160
Capital grants from SRT	871,595	645,154
Chalk and cheese grant	40,397	40,397
DCC cabinet grant	350,000	342,192
Big lottery fund	227,616	73,366
BP Perenco	40,000	-
IMERYS	5,000	-
	<u>1,537,637</u>	<u>1,132,269</u>

**Swanage Railway Company Limited**

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2014**

**11. OPERATING LEASE COMMITMENTS**

The following operating lease payments are committed to be paid within one year:

	2014	2013
	£	as restated £
Expiring:		
Within one year	16,406	19,687
Between one and five years	13,915	13,915
In more than five years	152,368	152,368
	<u>182,689</u>	<u>185,970</u>

Six leases with a total annual rent of £72,370 are in the name of The Swanage Railway Trust. These rents are paid by Swanage Railway Company Limited for the use of the company and are therefore reflected in the above in accordance with FRS 5 Substance Over Form.

**12. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2014	2013
			£	as restated £
17,978	Non-voting shares	£1	17,648	17,978
468,985	Ordinary Voting shares	£1	469,315	468,985
			<u>486,963</u>	<u>486,963</u>

**13. RESERVES**

	Profit and loss account £
At 1 January 2014	498,244
Profit for the year	107,148
	<u>605,392</u>

**Swanage Railway Company Limited**

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2014**

**14. RELATED PARTY DISCLOSURES**

Swanage Railway Company Limited is a 100% owned subsidiary of Swanage Railway Trust.

The total amount outstanding on loans made to the company by Swanage Railway Trust at 31 December 2014 was £96,482 (2013: £142,294.)

Interest is charged on the above loans at 1.5% above the Bank of England base rate. Interest charged in the year to 31 December 2014 was £3,726 (2013: £1,469).

In the year ended 31 December 2014 there were no available profits to gift to Swanage Railway Trust, in the year ended 31 December 2013 available profits of £67,740 were gifted.

In the year ended 31 December 2014, £1,888 of goods were purchased from Sillson Communications Limited (2013: Nil) and £549 of goods were purchased from Coastal Publishing Limited (2013: Nil). These are companies in which Peter Sills, a director of the company, has a controlling interest.

**15. ULTIMATE CONTROLLING PARTY**

The company is controlled by Swanage Railway Trust by virtue of its 100% shareholding.