

**Report of the Directors and  
Financial Statements  
for the Year Ended 31 December 2013  
for  
Swanage Railway Company Limited**

**Swanage Railway Company Limited**

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for the Year Ended 31 December 2013**

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**Swanage Railway Company Limited**

**Company Information  
for the Year Ended 31 December 2013**

**DIRECTORS:**

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

**SECRETARY:**

P J Milford

**REGISTERED OFFICE:**

The Station House  
Swanage  
Dorset  
BH19 1HB

**REGISTERED NUMBER:**

01412568 (England and Wales)

**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 2013**

The directors present their report with the financial statements of the company for the year ended 31 December 2013.

**DIRECTORS**

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

A L Moore  
Lt. Cdr K M Potts  
Mrs E M Sellen  
P N Sills  
M R Woolley

Other changes in directors holding office are as follows:

G C Johns - appointed 26 October 2013

**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:**



.....  
P J Milford - Secretary

Date: 21st June 2014

## **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 2013 on pages five to ten. 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 2013 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: 21<sup>st</sup> June 2014

**Swanage Railway Company Limited**

**Profit and Loss Account  
for the Year Ended 31 December 2013**

	Notes	2013 £	2012 £
<b>TURNOVER</b>		2,369,446	2,166,211
Cost of sales		<u>823,430</u>	<u>889,523</u>
<b>GROSS PROFIT</b>		1,546,016	1,276,688
Administrative expenses		<u>1,476,807</u>	<u>1,256,892</u>
<b>OPERATING PROFIT</b>	2	69,209	19,796
Interest payable and similar charges		<u>1,469</u>	<u>5,886</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		67,740	13,910
Tax on profit on ordinary activities	3	<u>-</u>	<u>-</u>
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		67,740	13,910
Profits gifted to Swanage Railway Trust	4	<u>(67,740)</u>	<u>-</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u><u>-</u></u>	<u><u>13,910</u></u>

The notes form part of these financial statements

**Swanage Railway Company Limited (Registered number: 01412568)**

**Balance Sheet  
31 December 2013**

	Notes	2013		2012	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	6		2,219,351		1,792,355
<b>CURRENT ASSETS</b>					
Stocks	7	101,620		72,064	
Debtors	8	62,748		85,866	
Cash at bank and in hand		<u>152,190</u>		<u>50,615</u>	
		316,558		208,545	
<b>CREDITORS</b>					
Amounts falling due within one year	9	<u>418,433</u>		<u>278,699</u>	
<b>NET CURRENT LIABILITIES</b>			<u>(101,875)</u>		<u>(70,154)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			2,117,476		1,722,201
<b>CREDITORS</b>					
Amounts falling due after more than one year	10		<u>1,132,269</u>		<u>736,994</u>
<b>NET ASSETS</b>			<u><u>985,207</u></u>		<u><u>985,207</u></u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	11		486,963		486,963
Profit and loss account	12		<u>498,244</u>		<u>498,244</u>
<b>SHAREHOLDERS' FUNDS</b>			<u><u>985,207</u></u>		<u><u>985,207</u></u>

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 21st June 2014 and were signed on its behalf by:

  
.....  
Director

PETER N SIMS

The notes form part of these financial statements



**Swanage Railway Company Limited**

**Notes to the Financial Statements  
for the Year Ended 31 December 2013**

**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 2013**

**2. OPERATING PROFIT**

The operating profit is stated after charging:

	2013	2012
	£	£
Depreciation - owned assets	142,886	139,708
Auditors' remuneration	<u>5,700</u>	<u>5,400</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 2013 nor for the year ended 31 December 2012.

**4. EXTRAORDINARY ITEMS**

	2013	2012
	£	£
Profits gifted to Swanage Railway Trust	<u>(67,740)</u>	<u>-</u>

**5. LOANS FROM THE SWANAGE RAILWAY TRUST**

In 2006 the Swanage Railway Trust made a loan to the Swanage Railway Company Limited for a period of 10 years that is repayable in equal monthly instalments.

During 2012 a short term loan was made to the Swanage Railway Company Limited in connection with Project Wareham.

Interest is charged at 1.5% above the banks base lending rate on the above loans and the amount of interest charged in the year was £1,469 (2012: £5,886).

The total amount outstanding on these loans at 31 December 2013 was £74,554 (2012 £96,653). The long term loan will be fully repaid in 2016.

**Swanage Railway Company Limited**

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2013**

**6. TANGIBLE FIXED ASSETS**

	Land & buildings £	Plant and machinery £	Shop fittings & equipment £
<b>COST</b>			
At 1 January 2013	392,960	457,099	37,684
Additions	<u>388,198</u>	<u>44,936</u>	<u>4,106</u>
At 31 December 2013	<u>781,158</u>	<u>502,035</u>	<u>41,790</u>
<b>DEPRECIATION</b>			
At 1 January 2013	62,714	266,732	15,162
Charge for year	<u>27,024</u>	<u>25,195</u>	<u>4,781</u>
At 31 December 2013	<u>89,738</u>	<u>291,927</u>	<u>19,943</u>
<b>NET BOOK VALUE</b>			
At 31 December 2013	<u>691,420</u>	<u>210,108</u>	<u>21,847</u>
At 31 December 2012	<u>330,246</u>	<u>190,367</u>	<u>22,522</u>

	Locomotives & Rolling stock £	Permanent Way & other assets £	Totals £
<b>COST</b>			
At 1 January 2013	693,113	1,001,260	2,582,116
Additions	<u>70,982</u>	<u>61,660</u>	<u>569,882</u>
At 31 December 2013	<u>764,095</u>	<u>1,062,920</u>	<u>3,151,998</u>
<b>DEPRECIATION</b>			
At 1 January 2013	369,141	76,012	789,761
Charge for year	<u>60,013</u>	<u>25,873</u>	<u>142,886</u>
At 31 December 2013	<u>429,154</u>	<u>101,885</u>	<u>932,647</u>
<b>NET BOOK VALUE</b>			
At 31 December 2013	<u>334,941</u>	<u>961,035</u>	<u>2,219,351</u>
At 31 December 2012	<u>323,972</u>	<u>925,248</u>	<u>1,792,355</u>

**7. STOCKS**

	2013 £	2012 £
Shop stock for resale	77,574	50,884
Catering stock	4,155	2,712
Consumable stock	13,912	16,026
Special events stock	<u>5,979</u>	<u>2,442</u>
	<u>101,620</u>	<u>72,064</u>

**Swanage Railway Company Limited**

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2013**

<b>8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>		2013	2012
		£	£
Trade debtors		8,205	26,252
VAT		54,119	44,661
Prepayments		<u>424</u>	<u>14,953</u>
		<u>62,748</u>	<u>85,866</u>
<b>9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>		2013	2012
		£	£
Trade creditors		154,782	114,643
Capital grants received from Swanage Railway Trust		111,134	38,271
Social security and other taxes		13,437	-
Other creditors		48,838	68,374
Accrued expenses		<u>90,242</u>	<u>57,411</u>
		<u>418,433</u>	<u>278,699</u>
<b>10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>		2013	2012
		£	£
Capital grants received from Swanage Railway Trust		676,314	393,567
Chalk and cheese grant		40,397	11,851
DCC cabinet grant		342,192	331,576
Big lottery fund		<u>73,366</u>	<u>-</u>
		<u>1,132,269</u>	<u>736,994</u>
<b>11. CALLED UP SHARE CAPITAL</b>			
Allotted, issued and fully paid:			
Number:	Class:	Nominal value:	
			2013
			2012
			£
			£
17,978	Non-voting shares	£1	17,978
468,985	Ordinary Voting shares	£1	468,985
			<u>468,985</u>
			<u>468,985</u>
			<u>486,963</u>
			<u>486,963</u>
<b>12. RESERVES</b>			Profit and loss account
			£
At 1 January 2013			498,244
Profit for the year			<u>-</u>
At 31 December 2013			<u>498,244</u>

**Swanage Railway Company Limited**

**Trading and Profit and Loss Account  
for the Year Ended 31 December 2013**

	2013		2012	
	£	£	£	£
<b>Turnover</b>				
Passenger takings	1,833,093		1,631,062	
Shop income	156,552		167,677	
Catering income	236,368		252,258	
Norden Park and Ride	-		30,598	
Driver experience takings	32,512		22,400	
Revenue grants from the Swanage Railway Trust	6,993		5,558	
Sundry income	<u>103,928</u>		<u>56,658</u>	
		2,369,446		2,166,211
<b>Cost of sales</b>				
Locomotive running costs	250,274		248,094	
Special event costs	83,841		82,934	
Shop purchases	123,032		103,838	
Catering purchases	123,477		111,740	
Infrastructure charge	-		7,738	
Locomotive hire	205,788		206,097	
Locomotive, carriage and wagon repairs	36,700		97,477	
Norden Park & Ride	318		31,613	
Discounts received	<u>-</u>		<u>(8)</u>	
		<u>823,430</u>		<u>889,523</u>
<b>GROSS PROFIT</b>		1,546,016		1,276,688
<b>Expenditure</b>				
Rent	116,917		68,844	
Business rates and domestic water	54,040		34,418	
Insurance	65,661		50,329	
Light and heat	42,777		41,236	
Repairs and maintenance	152,659		132,898	
Cleaning and laundry	18,191		10,931	
Marketing and publicity	52,309		38,016	
Wages	686,929		638,427	
Employers national insurance	49,211		47,698	
Financial services recharge to The Swanage Railway Trust	(9,000)		(9,000)	
Telephone	13,903		10,646	
Post and stationery	41,862		32,244	
Motor expenses	3,351		9,885	
General expenses	11,545		2,274	
Legal fees	34,640		15,685	
Auditors' remuneration	5,700		5,400	
Auditors' remuneration for non audit work	6,850		-	
Bad debts	<u>(1,059)</u>		<u>4,934</u>	
		<u>1,346,486</u>		<u>1,134,865</u>
Carried forward		199,530		141,823

This page does not form part of the statutory financial statements

**Swanage Railway Company Limited**

**Trading and Profit and Loss Account  
for the Year Ended 31 December 2013**

	2013		2012	
	£	£	£	£
Brought forward		199,530		141,823
<b>Finance costs</b>				
Bank charges	7,837		6,609	
Credit card	14,898		12,338	
Loan	<u>1,469</u>		<u>5,886</u>	
		<u>24,204</u>		<u>24,833</u>
		175,326		116,990
<b>Depreciation</b>				
Amortisation of capital grants	(32,989)		(36,628)	
Improvements to property	<u>140,575</u>		<u>139,708</u>	
		<u>107,586</u>		<u>103,080</u>
<b>NET PROFIT</b>		<u>67,740</u>		<u>13,910</u>

This page does not form part of the statutory financial statements