

COMPANY REGISTRATION NUMBER 1412568

SWANAGE RAILWAY COMPANY LIMITED
FINANCIAL STATEMENTS
31 DECEMBER 2012

SWANAGE RAILWAY COMPANY LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2012

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SWANAGE RAILWAY COMPANY LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2012

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 December 2012.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was that of operating the Swanage Railway, and associated trading activities.

DIRECTORS

The directors who served the company during the year were as follows:

P.N. Sills
A.L. Moore
P.A. Thrower
M.A. Whitwam
G.W. Carter
M.R. Woolley
E.M. Sellen
K. Potts

K. Potts was appointed as a director on 19 May 2012.

P.A. Thrower retired as a director on 18 August 2012.

M.A. Whitwam retired as a director on 30 January 2012.

G.W. Carter retired as a director on 14 March 2012.

SHARE CAPITAL - SUBSTANTIAL SHAREHOLDINGS

Throughout the year the Swanage Railway Trust held all the voting shares out of a total issued share capital at 31 December 2012 of 468,785 voting shares and 18,178 non-voting shares.

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' Report 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 year.

In preparing those 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.

SWANAGE RAILWAY COMPANY LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2012

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.

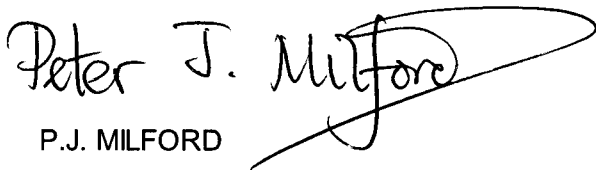
In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

SMALL COMPANY PROVISIONS

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

Signed on behalf of the directors

Peter J. Milford

P.J. MILFORD

Company Secretary

Approved by the directors on 27 April 2013

SWANAGE RAILWAY COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SWANAGE RAILWAY COMPANY LIMITED

YEAR ENDED 31 DECEMBER 2012

We have audited the financial statements of Swanage Railway Company Limited for the year ended 31 December 2012 which comprise the Profit and Loss Account, Balance Sheet and the related notes. 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 shareholders, 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 shareholders those matters we are required to state to them in an auditor's report 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 to 2, 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 (APB'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 annual report 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 31 December 2012 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 MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

SWANAGE RAILWAY COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SWANAGE RAILWAY COMPANY LIMITED *(continued)*

YEAR ENDED 31 DECEMBER 2012

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 in preparing the directors' report.



SIMON ROBINSON (Senior Statutory Auditor)

For and on behalf of
SHIPLEYS LLP
Chartered Accountants
& Statutory Auditor

10 Orange Street
Haymarket
London
WC2H 7DQ

27 April 2013

SWANAGE RAILWAY COMPANY LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2012

	Note	2012 £	2011 £
TURNOVER		2,166,211	2,210,905
Cost of sales		<u>(889,523)</u>	<u>(911,467)</u>
GROSS PROFIT		1,276,688	1,299,438
Administrative expenses		<u>(1,256,892)</u>	<u>(1,224,345)</u>
OPERATING PROFIT	2	19,796	75,093
Interest receivable		—	3
Interest payable and similar charges		<u>(5,886)</u>	<u>(4,770)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		13,910	70,326
Tax on profit on ordinary activities	4	—	—
PROFIT FOR THE FINANCIAL YEAR		<u>13,910</u>	<u>70,326</u>

The notes on pages 7 to 13 form part of these financial statements.

SWANAGE RAILWAY COMPANY LIMITED

BALANCE SHEET

31 DECEMBER 2012

		2012		2011	
	Note	£	£	£	£
FIXED ASSETS					
Tangible assets	5		1,792,355		1,393,714
CURRENT ASSETS					
Stocks	6	72,064		65,464	
Debtors	7	85,866		123,755	
Cash at bank		50,615		43,786	
		<u>208,545</u>		<u>233,005</u>	
CREDITORS: Amounts falling due within one year	8	<u>(278,699)</u>		<u>(225,803)</u>	
NET CURRENT (LIABILITIES)/ASSETS			<u>(70,154)</u>		<u>7,202</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,722,201</u>		<u>1,400,916</u>
CREDITORS: Amounts falling due after more than one year	9		<u>(736,994)</u>		<u>(429,619)</u>
			<u>985,207</u>		<u>971,297</u>
CAPITAL AND RESERVES					
Called-up share capital	12		486,963		486,963
Profit and loss account	13		498,244		484,334
SHAREHOLDERS' FUNDS			<u>985,207</u>		<u>971,297</u>

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

These financial statements were approved by the directors and authorised for issue on 27 April 2013, and are signed on their behalf by:

AL Moore

A.L. MOORE

P.N. Sills

P.N.SILLS

Company Registration Number: 1412568

The notes on pages 7 to 13 form part of these financial statements.

SWANAGE RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2012

1. ACCOUNTING POLICIES

Basis of accounting

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 the amount derived from the operation of the Swanage Railway and related activities, net of discounts and excluding value added tax.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Locomotives & rolling stock	- 10% on straight line basis
Plant, machinery & equipment	- 20% on reducing balance method
Shop fittings & equipment	- 20% on reducing balance method
Motor Vehicles	- 20% on reducing balance method
Land & buildings	- 10% straight line basis
Track & construction	- 4% on straight line basis

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

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.

SWANAGE RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2012

1. ACCOUNTING POLICIES *(continued)*

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.

2. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2012	2011
	£	£
Directors' remuneration	—	—
Amortisation of capital grants re fixed assets	(36,628)	(32,045)
Depreciation of owned fixed assets	139,708	124,361
Auditor's fees	5,400	5,250
	<u> </u>	<u> </u>

3. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

	2012	2011
	No	No
Number of staff	44	48
	<u> </u>	<u> </u>

The aggregate payroll costs of the above were:

	2012	2011
	£	£
Wages and salaries	629,427	677,689
Social security costs	47,698	51,003
	<u>677,125</u>	<u>728,692</u>

The directors did not receive any remuneration for their services.

The company is heavily reliant on volunteer staff in all areas of its activities.

SWANAGE RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2012

4. TAXATION ON ORDINARY ACTIVITIES

No corporation tax arises on the profit for the year due to the availability of tax losses brought forward and capital allowances for the year.

5. TANGIBLE FIXED ASSETS

	Land & Buildings £	Plant, Machinery & Equipment £	Loco motives & Rolling Stock £	Shop Fittings & Equipment £	Permanent Way & Other Assets £	Total £
COST						
At 1 Jan 2012	318,562	439,485	663,669	33,449	588,602	2,043,767
Additions	74,398	17,614	29,444	4,235	412,658	538,349
At 31 Dec 2012	392,960	457,099	693,113	37,684	1,001,260	2,582,116
DEPRECIATION						
At 1 Jan 2012	37,749	242,481	307,272	10,583	51,968	650,053
Charge for the year	24,965	24,251	61,869	4,579	24,044	139,708
At 31 Dec 2012	62,714	266,732	369,141	15,162	76,012	789,761
NET BOOK VALUE						
At 31 Dec 2012	330,246	190,367	323,972	22,522	925,248	1,792,355
At 31 Dec 2011	280,813	197,004	356,397	22,866	536,634	1,393,714

6. STOCKS

	2012 £	2011 £
Shop stock for resale	50,884	45,031
Catering stock	2,712	4,734
Consumable stock	16,026	10,423
Special events stock	2,442	5,276
	72,064	65,464

7. DEBTORS

	2012 £	2011 £
Trade debtors	26,252	21,223
Other debtors	44,661	48,422
Prepayments and accrued income	14,953	54,110
	85,866	123,755