

Snowdon Mountain Railway plc

Directors' report and financial statements

31 December 1995

Registered number 42476



Snowdon Mountain Railway plc

Directors' report and financial statements

<i>Contents</i>	<i>Page</i>
Company information	1
Directors' report	2 - 3
Statement of directors' responsibilities	4
Auditors' report	5
Profit and loss account	6
Balance sheet	7
Cash flow statement	8
Notes	9 - 20

Snowdon Mountain Railway plc

Company information

Directors:	Nigel Keith Ross LLB (hons) (Lond)	-	Chairman
	Andrew Ian Jaye FSVA	-	Deputy Chairman
	Derek Rogerson BSc (hons) (Dunelm)	-	Managing Director
	Andrew Owen Evan Davies Not. Pub.		
	Brian Ivan Leaver FRICS		
	Gillian Davies	-	Non executive Director

Secretary: Elizabeth Hughes

Registered office: Snowdon Mountain Railway plc
Llanberis
Caernarfon
GWYNEDD
LL55 4TY

Auditors: KPMG
Richmond House
1 Rumford Place
LIVERPOOL
L3 9QY

Bankers: Midland Bank plc
24 Castle Square
Caernarfon
GWYNEDD
LL55 2NB

Solicitors:	Philippsohn Crawfords Berwald	Gouldens
	21 Bentinck Street	22 Tudor Street
	LONDON	LONDON
	W1M 5RL	EC4Y 0JJ

Snowdon Mountain Railway plc

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 1995.

Principal activities

The principal activities of the company are the operation of the Snowdon Mountain Railway together with associated catering and retail activities.

Business review

The Railway was open to the public every day from 15 March to 1 November inclusive. Total revenue in the Railway Operating Department increased by 16% compared to 1994 and passenger bookings reached a new record of 141,790.

Sales and profit in the Shops and Catering Departments also improved and the company's overall turnover passed the £2,000,000 mark for the first time.

The state of the company's affairs and the trading results for the year ended 31 December 1995 are as shown in the following financial statements.

Proposed dividend

The directors recommend the payment of a dividend of 3.0 pence per share (1994 : 2.25 pence).

After deducting the total dividends the profit for the year retained in the company is £155,789.

Significant changes in fixed assets

The changes in fixed assets are set out in note 9 to the financial statements.

Market value of land and buildings

In the opinion of the directors, the market value of the land and buildings and the railway line and works of the company exceeds the book values of these assets.

Directors and directors' interests

The directors who held office during the year were as follows:

NK Ross
D Rogerson
AOE Davies
AI Jaye
BI Leaver
G Davies

Snowdon Mountain Railway plc

Directors' report

Directors and directors' interests *(continued)*

The directors retiring by rotation are NK Ross and AOE Davies who, being eligible, offer themselves for re-election.

The directors who held office at the end of the financial year had the following interests (including their family interests) in the ordinary shares of the company, as recorded in the register of directors' share and debenture interests:

	Interest at end of year £	Ordinary 10p shares Interest at beginning of year £
NK Ross	1,170	1,170
D Rogerson	5,850	5,850
AOE Davies	20,133	17,633
AI Jaye	-	-
BI Leaver	9,585	9,585
G Davies	24,983	24,983

The above shareholdings take no account of the 946,444 Ordinary shares (52.8% of the issued share capital of the company) held by Cadogan Properties Limited, which is a wholly owned subsidiary of Compco Holdings PLC (in which BI Leaver, NK Ross and AI Jaye have an interest).

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board


E Hughes
Secretary

Snowdon Mountain Railway plc
Llanberis
Caernarfon
Gwynedd
LL55 4TY

Snowdon Mountain Railway plc

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



Richmond House
1 Rumford Place
Liverpool L3 9QY

Auditors' report to the members of Snowdon Mountain Railway plc

We have audited the financial statements on pages 6 to 20.

Respective responsibilities of directors and auditors

As described on page 4 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

28th Dec 1996

*Chartered Accountants
Registered Auditors*

Snowdon Mountain Railway plc

Profit and loss account

for the year ended 31 December 1995

	Note	1995 £	1994 £
Turnover	2	2,056,052	1,783,357
Cost of sales		(1,390,389)	(1,241,181)
Gross profit		665,663	542,176
Administrative expenses		(370,303)	(348,231)
Operating profit		295,360	193,945
Other operating income	2	9,105	7,804
Interest payable and similar charges	6	(25,404)	(20,064)
Profit on ordinary activities before taxation	3 - 5	279,061	181,685
Tax on profit on ordinary activities	7	(69,482)	(25,090)
Profit on ordinary activities after taxation		209,579	156,595
Dividends proposed	8	(53,790)	(40,197)
Retained profit for the financial year	18	155,789	116,398

A statement of movements on reserves is given in note 18.

All turnover and operating profits are derived from continuing operations.

There are no recognised gains or losses other than the profit for the financial year.

Snowdon Mountain Railway plc

Balance sheet

at 31 December 1995

	Note	1995 £	1994 £
Fixed assets			
Tangible assets	9	2,071,407	1,406,678
Current assets			
Stocks	10	143,748	96,314
Debtors	11	65,135	46,707
Cash at bank and in hand		108,681	137,719
		<u>317,564</u>	<u>280,740</u>
Creditors: amounts falling due within one year	12	<u>(368,596)</u>	<u>(269,713)</u>
Net current (liabilities) / assets		<u>(51,032)</u>	<u>11,027</u>
Total assets less current liabilities		<u>2,020,375</u>	<u>1,417,705</u>
Creditors: amounts falling due after more than one year	13	(322,654)	(106,552)
Provisions for liabilities and charges	14	(71,327)	(34,726)
Accruals and deferred income	15	(189,010)	-
Net assets		<u>1,437,384</u>	<u>1,276,427</u>
Capital and reserves			
Called up share capital	16	179,300	178,654
Share premium account	18	743,847	739,325
Profit and loss account	18	514,237	358,448
	17	<u>1,437,384</u>	<u>1,276,427</u>

These financial statements were approved by the board of directors on 18 March 1996 and were signed on its behalf by:



D Rogerson
Director

Snowdon Mountain Railway plc

Cash flow statement

for the year ended 31 December 1995

	Note	1995 £	£	1994 £	£
Net cash inflow from operating activities	19	297,672		214,709	
Net cash outflow from returns on investments and servicing of finance					
Interest received		6,929		7,070	
Interest paid		(25,951)		(35,981)	
Dividends paid		(40,197)		(37,470)	
			(59,219)		(66,381)
Taxation					
UK corporation tax paid			(25,739)		(16,289)
Net cash outflow from investing activities					
Purchase of tangible fixed assets		(677,261)		(140,104)	
Sale of tangible fixed assets		479		6,384	
Grant monies received		190,000		-	
			(486,782)		(133,720)
Net cash outflow before financing			(274,068)		(1,681)
Net cash inflow/outflow from financing					
Repayment of amounts borrowed		(120,010)		(94,101)	
New short term loans		365,040		-	
	21		245,030		(94,101)
Decrease in cash	20		(29,038)		(95,782)

Snowdon Mountain Railway plc

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

Fixed assets and depreciation

Depreciation is provided by the company to write off the cost of tangible fixed assets over their estimated useful economic lives as follows:

Freehold premises	-	2% per annum reducing balance method
Plant and machinery	-	20% per annum reducing balance method
Furniture, fixtures and fittings	-	20% per annum reducing balance method
Motor vehicles	-	20% per annum reducing balance method

The long leasehold premises are being depreciated over the length of the lease.

Locomotives and rolling stock are depreciated on a straight line basis over 50 years, with the exception of some significant components which are depreciated over 5 to 20 years.

Railway line and works, including vintage locomotives and carriages are not depreciated.

Leases

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a 'finance lease'. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its estimated useful life. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account, and the capital element which reduces the outstanding obligation for future instalments.

All other leases are accounted for as 'operating leases' and the rental charges are charged to the profit and loss account on a straight line basis over the life of the lease.

Snowdon Mountain Railway plc

Notes (continued)

1 Accounting policies (continued)

Pension costs

The company operates a pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the company, being invested with The Equitable Life Assurance Society. Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the company.

Stocks

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

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise within the foreseeable future, taking into account future capital investment as currently anticipated.

Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to customers during the year.

2 Analysis of turnover

	1995 £	1994 £
<i>By activity</i>		
Railway operating	1,567,725	1,348,854
Retailing	250,224	221,103
Catering	238,103	213,400
	<hr/>	<hr/>
	2,056,052	1,783,357
	<hr/>	<hr/>
Other operating income comprises:		
Bank interest receivable	7,549	6,554
Rent receivable	1,556	1,250
	<hr/>	<hr/>
	9,105	7,804
	<hr/>	<hr/>

Snowdon Mountain Railway plc

Notes (continued)

3 Profit on ordinary activities before taxation

	1995 £	1994 £
<i>Profit on ordinary activities before taxation is stated</i>		
<i>after charging</i>		
Auditors' remuneration	6,000	5,750
Depreciation	55,426	51,963
Hire of plant and machinery - rentals payable under operating leases	4,294	4,734
	<hr/>	<hr/>

4 Remuneration of directors

	1995 £	1994 £
Directors' emoluments		
- As directors (inclusive of pension contributions)	48,764	47,119
Pension to past directors	766	726
	<hr/>	<hr/>
	49,530	47,845
	<hr/>	<hr/>

The emoluments, excluding pension contributions but including the cash equivalent value of benefits in kind, of the chairman were £9,013 (1994 : £8,496), and those of the highest paid director were £29,313 (1994 : £28,734).

The emoluments, excluding pension contributions, of the directors (including the chairman and highest paid director) were within the following ranges:

		Number of directors	
		1995	1994
£0	- £5,000	3	3
£ 5,001	- £10,000	2	2
£25,001	- £30,000	1	1

Snowdon Mountain Railway plc

Notes (continued)

5 Staff numbers and costs

The average number of persons employed (including paid directors) during the year, analysed by category, was as follows:

	Number of employees	
	1995	1994
Management and administration	7	7
Railway operations	43	44
Catering and retailing	17	16
	<u>67</u>	<u>67</u>

The aggregate payroll costs of these persons were as follows:

	1995	1994
	£	£
Wages and salaries	934,908	856,563
Social security costs	75,151	69,604
Other pension costs (see note 23)	16,807	16,672
	<u>1,026,866</u>	<u>942,839</u>

6 Interest payable and similar charges

	1995	1994
	£	£
On bank loans, overdrafts and other loans wholly repayable within five years	24,822	17,727
On convertible loan stock	582	2,337
	<u>25,404</u>	<u>20,064</u>

Snowdon Mountain Railway plc

Notes *(continued)*

7 Taxation

	1995 £	1994 £
UK corporation tax at 25% (1994 : 25%) on the profit for the year		
- current year	29,544	25,800
- previous years	(62)	(710)
Deferred taxation	40,000	-
	<u>69,482</u>	<u>25,090</u>

8 Dividends

	1995 £	1994 £
Final proposed dividend	53,790	40,197

Snowdon Mountain Railway plc

Notes (continued)

9 Tangible fixed assets

	Land and buildings £	Plant and machinery £	Fixtures and fittings £	Total £
<i>Cost</i>				
At beginning of year	249,910	1,381,653	55,290	1,686,853
Additions	-	722,054	1,461	723,515
Disposals	-	(9,725)	-	(9,725)
At end of year	249,910	2,093,982	56,751	2,400,643
<i>Depreciation and diminution in value</i>				
At beginning of year	34,811	203,507	41,857	280,175
Charge for year	3,945	48,629	2,852	55,426
On disposals	-	(6,365)	-	(6,365)
At end of year	38,756	245,771	44,709	329,236
<i>Net book value</i>				
At 31 December 1995	211,154	1,848,211	12,042	2,071,407
At 31 December 1994	215,099	1,178,146	13,433	1,406,678

The net book value of land and buildings comprises:

	1995 £	1994 £
Freehold	193,603	197,530
Long leasehold	17,551	17,569
	211,154	215,099

The gross book value of plant and machinery includes £1,930,225 (1994:£1,216,785) of depreciable assets.

Included in the total net book value of Plant and Machinery is £9,466 in respect of assets held under hire purchase contracts. Depreciation for the year on these assets was £669.

Snowdon Mountain Railway plc

Notes (continued)

10 Stocks

	1995 £	1994 £
Raw materials and consumables	107,184	71,543
Goods for resale	36,564	24,771
	<u>143,748</u>	<u>96,314</u>

11 Debtors

	1995 £	1994 £
Other debtors	13,859	5,574
Prepayments and accrued income	51,276	41,133
	<u>65,135</u>	<u>46,707</u>

12 Creditors: amounts falling due within one year

	1995 £	1994 £
Finance loans (see note 13)	100,000	79,600
Obligations under hire purchase contracts	3,360	-
Trade creditors	17,593	16,767
Other creditors including taxation and social security:		
Corporation tax	19,495	16,432
Advance corporation tax	23,497	19,418
Other taxes and social security	22,841	35,841
	<u>65,833</u>	<u>71,691</u>
Taxation and social security	64,949	17,608
Other creditors	<u>130,782</u>	<u>89,299</u>
Accruals and deferred income	63,071	43,850
Dividend proposed	53,790	40,197
	<u>368,596</u>	<u>269,713</u>

Snowdon Mountain Railway plc

Notes (continued)

13 Creditors: amounts falling due after more than one year

	1995 £	1994 £
Finance loans	306,256	84,986
3% convertible unsecured loan stock 1997	16,398	21,566
	<u>322,654</u>	<u>106,552</u>

The loan stock is convertible, at the holder's option, into 10 pence ordinary shares at 80 pence per share on 31 July 1996. Any loan stock not converted will be redeemed at par on 31 July 1997.

Creditors payable by instalments

	Instalments payable within five years	
	1995 £	1994 £
Finance loans	406,256	164,586
Hire purchase (maturing within one year)	3,360	-
	<u>409,616</u>	<u>164,586</u>

Finance loans and hire purchase obligations are secured on the assets to which they relate.

Snowdon Mountain Railway plc

Notes (continued)

14 Provisions for liabilities and charges

	Deferred taxation	Recoverable ACT on proposed dividend	Total
	£	£	£
At beginning of year	44,775	(10,049)	34,726
Transfer current taxation	-	10,049	10,049
On proposed dividends	-	(13,448)	(13,448)
Charge for the year	40,000	-	40,000
	<hr/>	<hr/>	<hr/>
At end of year	84,775	(13,448)	71,327
	<hr/>	<hr/>	<hr/>

The amounts provided for deferred taxation and the amounts not provided are set out below:

	Provided	1995 Unprovided	Provided	1994 Unprovided
	£	£	£	£
Difference between accumulated depreciation and capital allowances	84,602	165,698	44,757	163,426
Other timing differences	173	(935)	18	(1,068)
	<hr/>	<hr/>	<hr/>	<hr/>
	84,775	164,763	44,775	162,358
	<hr/>	<hr/>	<hr/>	<hr/>

15 Accruals and deferred income

	£
Grant received from Wales Tourist Board	190,000
Credited to profit and loss account	(990)
	<hr/>
At end of year	189,010
	<hr/>

Snowdon Mountain Railway plc

Notes (continued)

16 Called up share capital

	1995 £	1994 £
<i>Authorised</i>		
Ordinary shares of 10p each	200,000	200,000
	<hr/>	<hr/>
<i>Allotted, called up and fully paid</i>		
Ordinary shares of 10p each	179,300	178,654
	<hr/>	<hr/>

During the year, 6,460 shares were allotted on conversion of £5,168 of convertible loan stock. Conversion in full of the remainder of the loan stock on or before the final specified date of 31 July 1996 would result in the issue of 20,498 additional shares at 80 pence per share.

17 Reconciliation of movements in shareholders' funds

	1995 £	1994 £
Profit for the financial year	209,579	156,595
Dividends	(53,790)	(40,197)
	<hr/>	<hr/>
	155,789	116,398
New share capital issued on conversion of loan stock	5,168	96,972
	<hr/>	<hr/>
Net addition to shareholders funds	160,957	213,370
Opening shareholders funds	1,276,427	1,063,057
	<hr/>	<hr/>
Closing shareholders funds	1,437,384	1,276,427
	<hr/>	<hr/>

18 Reserves

	Share premium account £	Profit and loss account £
At beginning of year	739,325	358,448
Profit for the year	-	155,789
Premium on loan stock conversion	4,522	-
	<hr/>	<hr/>
At end of year	743,847	514,237
	<hr/>	<hr/>

Snowdon Mountain Railway plc

Notes (continued)

19 Reconciliation of operating profit to net cash inflow from operating activities

	1995 £	1994 £
Operating profit	295,360	193,945
Depreciation charge	55,426	51,963
Loss on sale of tangible fixed assets	2,881	228
Increase/decrease in stocks	(47,434)	12,725
Increase/decrease in debtors	(17,808)	12,091
Increase/decrease in creditors	8,681	(57,493)
Rent receivable	1,556	1,250
Release of grant	(990)	-
Net cash inflow from operating activities	<u>297,672</u>	<u>214,709</u>

20 Analysis of changes in cash

	£
Balance at 31 December 1993	233,501
Net cash outflow	(95,782)
Balance at 31 December 1994	<u>137,719</u>
Net cash outflow	(29,038)
Balance at 31 December 1995	<u>108,681</u>

21 Analysis of changes in financing during the year

	Share capital (including premium) £	Loans and hire purchase obligations £
Balance at 31 December 1993	821,007	377,225
Cash outflow from financing	-	(94,101)
Conversion of loan stock	96,972	(96,972)
Balance at 31 December 1994	<u>917,979</u>	<u>186,152</u>
Cash inflow from financing	-	245,030
Conversion of loan stock	5,168	(5,168)
Balance at 31 December 1995	<u>923,147</u>	<u>426,014</u>

Snowdon Mountain Railway plc

Notes (continued)

22 Commitments

- (i) Capital commitments at the end of the financial year for which no provision has been made.

	1995 £	1994 £
Contracted	68,129	483,613
Authorised but not contracted	-	-
	<u>68,129</u>	<u>483,613</u>

- (ii) Annual commitments under non-cancellable operating leases are as follows:

	1995 Land and buildings £	Other £	1994 Land and buildings £	Other £
Operating leases which expire: In the second to fifth years inclusive	-	4,387	-	4,304
	<u>-</u>	<u>4,387</u>	<u>-</u>	<u>4,304</u>

23 Pension scheme

As explained in the accounting policies set out on page 10, the company operates a pension scheme providing benefits based on final pensionable pay, contributions being charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the company. The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The most recent valuation was at 6 April 1993. The assumptions which have the most significant effect on the results of the valuation are that the rate of investment return would exceed future salary increases by 1% per annum.

The pension charge for the period amounted to £16,807 (1994 : £16,672).

The most recent actuarial valuation showed that the actuarial value of the scheme represented 104% of the benefits that had accrued to members, after allowing for expected future increases in earnings. The contributions of the company and employees will remain at 5.3% and 3% of earnings respectively.

24 Ultimate parent company

The company is a subsidiary undertaking of Compco Holdings PLC, its ultimate parent company, which is registered in Scotland under company number 37323. The consolidated accounts of the group are available to the public and may be obtained from Companies House, 100-102 George Street, Edinburgh.