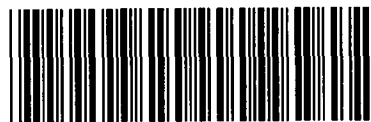


# **Dart Valley Railway Ltd**

**Annual Report  
Year Ended 31 December 2019**

**Company Registration Number 00852020**

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# **Dart Valley Railway Ltd**

## **Financial Statements**

**Year Ended 31 December 2019**

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# **Dart Valley Railway Ltd**

## **Officers and Professional Advisers**

### **The Board of Directors**

D.I. Allan FIDM, FPWI  
C.A. Bland  
J.R. Jones BA, ACMA  
N.G. Dunn OBE, BSc  
P. Merrington  
J.R. McColl FCIS

### **Company Secretary**

J.R. McColl FCIS

### **Registered Office**

Queens Park Station  
Torbay Road  
Paignton  
Devon  
TQ4 6AF

### **Registrar**

The Registrar  
Kingswear Signal Box  
The Square  
Kingswear  
Devon  
TQ6 0AA

### **Auditors**

PKF Francis Clark  
Statutory Auditor  
Sigma House  
Oak View Close  
Edginswell Park  
Torquay  
TQ2 7FF

### **Bankers**

Lloyds Bank Plc  
2nd Floor  
234 High Street  
Exeter  
EX4 3ZB

### **Property Lawyer**

Philip Smallwood  
Wonwell Cottage  
Coombeshead Road  
Newton Abbot  
Devon  
TQ12 1PY

# **Dart Valley Railway Ltd**

## **Chairman's Statement**

### **Year Ended 31 December 2019**

The year has been one of mixed fortune, with turnover falling by £133,000 (2.3%). This was due to significantly fewer operating days in Torbay due to bad weather. However, our profit before tax was up significantly to £580,000, which was almost double the 2018 figure. The financial position of the group is strong with net assets growing to £7,654,000 at the balance sheet date.

During the year, work was started on the expansion of the Churston maintenance facility, which will increase capacity for locomotive and coach maintenance, as well as boiler repair, the aim being to overcome the national shortage of boiler works in the Country.

After the successful completion of works on 5239 the decision was taken to send 4110 to the East Somerset Railway for complete refurbishment.

The Board also took the decision to rationalise the boat fleet, having identified a significant over capacity. The great strength of our Company is in the combination of our train and boat services, providing not just a way of getting from Paignton to Kingswear and back by train, but also enabling passengers to make the most of the river and bus services.

With the Torbay ferry service being covered by other boats within our fleet, it was highlighted that both Western Lady boats were not of the same quality as the rest of the fleet, and that they should be disposed of. There will be no further boat disposals.

I would, once again, like to thank John Jones and the rest of the senior team for their diligence and industry, but also every member of staff has proved to be our greatest asset.

2020, as we are all aware, has presented both Board members and staff with new and unique challenges, which have prevented the running of our services at key parts of our season. In an effort to conserve our cash reserves, the Board are recommending that there will be no dividend paid this year.

David Allan  
Chairman

# Dart Valley Railway Ltd

## Strategic Report

Year Ended 31 December 2019

### *Business review*

There have been no significant changes in the group's and company's principal activities in the year under review.

The results for the year and financial position of the group and the company are shown in the annexed financial statements. Further details of the group's activities in the year with details of future developments are contained in the chairman's statement which forms part of this strategic report.

The group recognises the importance of its environmental responsibilities, monitors its impact on the environment and designs and implements its policies to reduce any damage that might be caused by the group's activities. Initiatives designed to minimise the group's impact on the environment include safe disposal of any product waste, recycling and reducing energy consumption.

The management of the business and the execution of the group's strategy are subject to a number of risks and uncertainties. The principal risks and uncertainties are set out below:-

### *National Living Wage*

A significant proportion of the group's staff are seasonal part time workers and as such are paid the National Living Wage or National Minimum Wage. The significant increase in the National Living Wage far outstrips the rate at which the group can increase fares without it having a significant negative impact on passenger numbers and as such the board are exploring all avenues to counteract the impact of this legislation.

### *Competition*

The group operates in a competitive market for tourist attractions particularly around price and product quality. The group manages this risk by monitoring market prices on an ongoing basis and providing a unique tourist experience for its customers.

### *Health and safety*

The safe operation of the group's activities is essential. The group has a culture that puts health and safety at the top of the agenda. It is overseen by the board and senior management, who ensure that the appropriate training, assessments and procedures are in place.

The key performance indicator used to determine the progress and performance of the group is set out below:-

### *Passenger numbers*

Please see five year financial record for details of passenger numbers. Rail passenger numbers grew in 2019 whilst boat and bus passenger numbers fell in 2019.

### *Covid 19*

In March 2020, the group had to cease its operations as a result of the restrictions brought in to combat the Coronavirus. It was subsequently able to re-open on a reduced basis in early July and remained open until the end of the Autumn half term. To mitigate against the impact of the closure, the group utilised the government support available principally the Coronavirus Job Retention Scheme and obtained a £2.2m loan under the Coronavirus Business Interruption Loan Scheme (CBILS). The directors also agreed it would not be appropriate to pay a dividend in 2020.

Whilst 2020 has been a challenging year, the group remains in a strong financial position and is well placed for the future.

Signed on behalf of the board by



J.R. Jones  
Director

Approved by the directors on

1 / 12 / 2020

# Dart Valley Railway Ltd

## Directors' Report

Year Ended 31 December 2019

The directors present their report and the financial statements of the group for the year ended 31 December 2019.

### Results and Dividends

The profit for the year, after taxation, amounted to £503,521.

The directors have not recommended the payment of a final dividend.

### Financial Risk Management Objectives and Policies

The group's principal financial instruments comprise bank balances, working capital and bank loans. They are managed to ensure sufficient funds are available for the group's operations.

### The Directors and their Interests

The directors who served the company during the year together with their beneficial interests in the shares of the company, which are disclosed voluntarily as a matter of good governance, were as follows:

	Ordinary Shares of £1 each	
	At	At
	31 December 2019	1 January 2019 or later date of appointment
D.I. Allan FIDM, FPWI	5,498	5,498
J.R. Jones BA, ACMA	405	405
N.G. Dunn OBE, BSc	115	115
C.A. Bland	-	-
P. Merrington	-	-
J.R. McColl (appointed 1 March 2019)	-	-

The board, which operates as a single team, is currently made up of three executive directors and three non-executive directors.

### Significant interests

The company has been notified of the following significant holdings of the company's ordinary shares at the date of this report.

	Number of shares	Proportion of ordinary share capital
Lady McAlpine	16,757	6.42%
Darhaven Marina Limited	18,027	6.91%
J.J. Hosking	83,274	31.92%

# Dart Valley Railway Ltd

## Directors' Report *(continued)*

Year Ended 31 December 2019

### Directors' Responsibilities

The directors are responsible for preparing the Strategic Report, 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 the group and of the profit or loss of the group for that year.

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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Disclosure of information to the auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as each director is aware, there is no relevant audit information of which the group's auditor is unaware; and
- each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Signed on behalf of the board by



J.R. Jones  
Director

Approved on 1<sup>st</sup> DEC 2020

# **Dart Valley Railway Ltd**

## **Independent Auditor's Report to the Shareholders of Dart Valley Railway Ltd**

**Year Ended 31 December 2019**

### **Opinion**

We have audited the financial statements of Dart Valley Railway Ltd (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2019, which comprise the Group Profit and Loss Account, Group Balance Sheet, Balance Sheet, Group Statement of Changes in Equity, Statement of Changes in Equity, Group Cash Flow Statement, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2019 and of the group's 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.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.



# **Dart Valley Railway Ltd**

Independent Auditor's Report to the Shareholders of Dart Valley Railway Ltd *(continued)*

Year Ended 31 December 2019

We have nothing to report in this regard.

## **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

## **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the company 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.

## **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

# Dart Valley Railway Ltd

Independent Auditor's Report to the Shareholders of Dart Valley Railway Ltd *(continued)*

Year Ended 31 December 2019

## **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## **Use of our report**

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 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

*Francis Clark UK*

MARTIN HOBBS BSc ACA (Senior Statutory Auditor)

PKF FRANCIS CLARK

Statutory Auditor

Sigma House

Oak View Close

Edginswell Park

Torquay

TQ2 7FF

1 December 2020

# Dart Valley Railway Ltd

## Group Profit and Loss Account

Year Ended 31 December 2019

	Note	2019 £	2018 £
Turnover	2	5,599,422	5,732,356
Cost of sales		(3,538,456)	(3,538,886)
<b>Gross Profit</b>		<u>2,060,966</u>	<u>2,193,470</u>
Administrative expenses		(1,563,084)	(1,892,825)
Other operating income		102,123	2,226
<b>Operating Profit</b>	3	<u>600,005</u>	<u>302,871</u>
Interest payable and similar charges	6	(19,993)	(3,241)
<b>Profit on Ordinary Activities Before Taxation</b>		<u>580,012</u>	<u>299,630</u>
Tax on profit on ordinary activities	7	(76,491)	(62,706)
<b>Profit for the Financial Year</b>		<u><u>503,521</u></u>	<u><u>236,924</u></u>

The notes on pages 15 to 26 form part of these financial statements.

# Dart Valley Railway Ltd


## Group Balance Sheet

31 December 2019

	Note	2019 £	2018 £
<b>Fixed Assets</b>			
Intangible assets	10	8,063	-
Tangible assets	11	8,872,075	7,690,600
		<u>8,880,138</u>	<u>7,690,600</u>
<b>Current Assets</b>			
Stocks	13	361,007	369,238
Debtors	14	436,727	295,036
Cash at bank and in hand		62,801	716,016
		<u>860,535</u>	<u>1,380,290</u>
<b>Creditors: Amounts falling due within one year</b>	15	(1,165,864)	(967,255)
<b>Net Current Assets</b>		<u>(305,329)</u>	<u>413,035</u>
<b>Total Assets Less Current Liabilities</b>		<u>8,574,809</u>	<u>8,103,635</u>
<b>Creditors: Amounts falling due after more than one year</b>	16	(104,653)	(149,109)
<b>Provisions for Liabilities</b>			
Deferred taxation	17	(816,656)	(692,344)
		<u>7,653,500</u>	<u>7,262,182</u>
<b>Capital and Reserves</b>			
Called-up equity share capital	20	260,917	260,917
Capital redemption reserve	21	13,030	13,030
Profit and loss account	21	7,379,553	6,988,235
<b>Shareholders' Funds</b>		<u>7,653,500</u>	<u>7,262,182</u>

These accounts were approved by the directors and authorised for issue on 1 December 2020 and are signed on their behalf by:

  
P. Merrington

  
J.R. Jones BA, ACMA

The notes on pages 15 to 26 form part of these financial statements.

# Dart Valley Railway Ltd

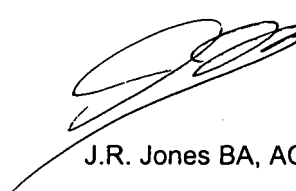
## Balance Sheet

31 December 2019

	Note	2019 £	2018 £
<b>Fixed Assets</b>			
Intangible assets	10	8,063	-
Tangible assets	11	5,684,977	4,648,684
Investments	12	1,229,721	1,229,721
		<u>6,922,761</u>	<u>5,878,405</u>
<b>Current Assets</b>			
Stocks	13	258,906	255,279
Debtors	14	1,127,500	1,242,733
Cash at bank and in hand		2,610	420,585
		<u>1,389,016</u>	<u>1,918,597</u>
<b>Creditors: Amounts falling due within one year</b>	15	<u>(953,480)</u>	<u>(792,233)</u>
<b>Net Current Assets</b>		<u>435,536</u>	<u>1,126,364</u>
<b>Total Assets Less Current Liabilities</b>		<u>7,358,297</u>	<u>7,004,769</u>
<b>Creditors: Amounts falling due after more than one year</b>	16	<u>(104,653)</u>	<u>(149,109)</u>
<b>Provisions for Liabilities</b>			
Deferred taxation	17	<u>(454,362)</u>	<u>(354,192)</u>
		<u>6,799,282</u>	<u>6,501,468</u>
<b>Capital and Reserves</b>			
Called-up equity share capital	20	260,917	260,917
Capital redemption reserve	21	13,030	13,030
Profit and loss account	21	6,525,335	6,227,521
<b>Shareholders' Funds</b>		<u>6,799,282</u>	<u>6,501,468</u>

These accounts were approved by the directors and authorised for issue on 1 December 2020 and are signed on their behalf by:

  
P. Merrington

  
J.R. Jones BA, ACMA

Company Registration Number: 00852020

The notes on pages 15 to 26 form part of these financial statements.

# Dart Valley Railway Ltd

## Group Statement of Changes in Equity

Year Ended 31 December 2019

	Share Capital £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 January 2019	260,917	13,030	6,988,235	7,262,182
Profit for the year	-	-	503,521	503,521
Total comprehensive income	-	-	503,521	503,521
Dividends	-	-	(112,203)	(112,203)
At 31 December 2019	<u>260,917</u>	<u>13,030</u>	<u>7,379,553</u>	<u>7,653,500</u>

	Share Capital £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 January 2018	260,917	13,030	6,865,262	7,139,209
Profit for the year	-	-	236,924	236,924
Total comprehensive income	-	-	236,924	236,924
Dividends	-	-	(113,951)	(113,951)
At 31 December 2018	<u>260,917</u>	<u>13,030</u>	<u>6,988,235</u>	<u>7,262,182</u>

The notes on pages 15 to 26 form part of these financial statements.

# Dart Valley Railway Ltd

## Statement of Changes in Equity

Year Ended 31 December 2019

	Share Capital £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 January 2019	260,917	13,030	6,227,521	6,501,468
Profit for the year	-	-	410,017	410,017
Total comprehensive income	-	-	410,017	410,017
Dividends	-	-	(112,203)	(112,203)
At 31 December 2019	<u>260,917</u>	<u>13,030</u>	<u>6,525,335</u>	<u>6,799,282</u>

	Share Capital £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 January 2018	260,917	13,030	6,071,085	6,345,032
Profit for the year	-	-	270,387	270,387
Total comprehensive income	-	-	270,387	270,387
Dividends	-	-	(113,951)	(113,951)
At 31 December 2018	<u>260,917</u>	<u>13,030</u>	<u>6,227,521</u>	<u>6,501,468</u>

The notes on pages 15 to 26 form part of these financial statements.

# Dart Valley Railway Ltd

## Group Cash Flow Statement

Year Ended 31 December 2019

	Note	2019 £	2018 £
<b>Net cash inflow from operating activities</b>	22	<u>602,679</u>	<u>965,202</u>
<b>Cash flows from investing activities</b>			
Payment to acquire intangible fixed assets		(8,063)	-
Payments to acquire tangible fixed assets		(1,772,819)	(524,164)
Receipts from sales of tangible fixed assets		<u>259,526</u>	<u>22,050</u>
<b>Net cash used in investing activities</b>		<u>(1,521,356)</u>	<u>(502,114)</u>
<b>Cash flows from financing activities</b>			
Repayment of bank loans		(42,957)	(37,539)
Dividends paid		<u>(112,203)</u>	<u>(113,951)</u>
<b>Net cash used in financing activities</b>		<u>(155,160)</u>	<u>(151,490)</u>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<u>(1,073,837)</u>	<u>311,598</u>
Cash and cash equivalents at beginning of year		<u>716,016</u>	<u>404,418</u>
Cash and cash equivalents at end of year		<u><u>(357,821)</u></u>	<u><u>716,016</u></u>

The notes on pages 15 to 26 form part of these financial statements.



# Dart Valley Railway Ltd

## Notes to the Financial Statements

Year Ended 31 December 2019

### 1. Accounting Policies

#### (a) General information and basis of accounting

Dart Valley Railway Ltd is a private limited company incorporated in England and Wales. The address of the registered office, which is also the principal place of business, is given on page 1.

#### *Change in basis of accounting and basis statement of compliance*

The group's financial statements have been prepared in accordance with FRS 102 – The Financial Reporting Standard applicable in the UK and Republic of Ireland. There are no material departures from FRS 102.

Dart Valley Railway Ltd has taken advantage of the exemption not to prepare a cash flow statement for the parent company entity.

The financial statements have been prepared under the historical cost convention.

The functional currency of the group is considered to be pounds sterling because that is the currency of the primary economic environment in which the group operates.

#### (b) Basis of consolidation

The consolidated accounts incorporate the accounts of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method. The results of companies acquired or disposed of are included in the profit and loss account after or up to the date that control passes respectively. As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

#### (c) Going concern

The group remains in a strong financial position at the date of this report with cash reserves of around £2m and further facilities of up to £1m available though it is not anticipated these will be required. The directors have considered the impact of the Coronavirus pandemic on the future performance and finances of the group. This included preparing cashflow forecasts for the period to December 2022 and beyond. The directors believe that the group has sufficient resources, taking into account further possible disruption to services, to continue operating for at least 12 months commencing from the date of this report. Accordingly, the financial statements have been drawn up on the basis that the group is a going concern.

#### (d) Turnover

Turnover represents the net amount receivable excluding value added tax from:-

- Rail ticket sales;
- Boat ticket sales;
- Round Robin ticket sales;
- Shop sales; and
- Bar and catering sales.

Revenue is recognised on ticket sales on the date of travel and on shop, bar and cafe sales when the goods are delivered.

#### (e) Fixed assets

All fixed assets are initially recorded at cost.

# Dart Valley Railway Ltd

## Notes to the Financial Statements

Year Ended 31 December 2019

### 1. Accounting Policies *(continued)*

#### (f) 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:

Specialised buildings	- over 50 years
Leasehold property	- over period of lease
Motor vessels	- over 25 years
Locomotives	- over 20 years
Locomotive boiler rebuilds	- over 10 years
Other assets	- over 4 to 20 years

No depreciation is provided on freehold land.

#### (g) Investments

In the company balance sheet, investments in subsidiaries are measured at cost less impairment.

#### (h) Financial instruments

Financial instruments are recognised when the group becomes party to the contractual provisions of the instrument and derecognised when in the case of assets, the contractual rights to cash flows from the assets expire or substantially all the risks and rewards of ownership are transferred to another party, or in the case of liabilities, when the group's obligations are discharged, expire or are cancelled.

The group and company hold the following financial instruments:

- Bank balance
- Short term trade debtors and creditors;
- Short term intra group debtors and creditors; and
- Bank loans.

All financial instruments are classified as basic.

#### **Basic financial assets and liabilities**

Basic financial assets comprise short term trade and other debtors and cash and bank balances. Basic financial liabilities comprise short term trade and other creditors and bank loans.

Except for bank loans, such instruments are initially measured at transaction price, including transaction costs, and are subsequently carried at the undiscounted amount of the cash or other consideration expected to be paid or received, after taking account of impairment adjustments.

Bank loans are initially measured at transaction price, including transaction costs, and are subsequently carried at amortised cost using the effective interest method.

#### (i) Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost includes all expenditure incurred in bringing each item to its present condition and location. Net realisable value is based on estimated selling prices less further costs expected to be incurred in disposal of the stock.

#### (j) 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.

# Dart Valley Railway Ltd

## Notes to the Financial Statements

Year Ended 31 December 2019

### 1. Accounting Policies *(continued)*

#### (k) Pension costs

The group operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the group profit and loss account.

#### (l) Deferred taxation

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date.

#### (m) Critical accounting judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, which are described above, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The following are the critical judgements and estimates that the directors have made in the process of applying the company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

#### *Critical judgements*

- In assessing the extent to which tangible assets are subject to depreciation the directors have considered the basis on which residual value is determined. In the case of non-specialised freehold buildings, locomotives and motor vessels residual values have been estimated using current market data for equivalent assets, taking into account the expected useful life of the relevant asset. The residual values are reviewed annually to ensure they remain appropriate.
- Key management personnel comprises the directors.

### 2. Turnover

The turnover and profit before tax are attributable to the one principal activity of the group. All turnover arises in the United Kingdom.

An analysis of turnover is given below:

	2019	2018
	£	£
Sale of goods – shop, bar and catering sales	508,750	582,360
Rendering of services – ticket and other sales	5,090,672	5,149,996
	<u>5,599,422</u>	<u>5,732,356</u>

# Dart Valley Railway Ltd

## Notes to the Financial Statements

Year Ended 31 December 2019

### 3. Operating Profit

Operating profit is stated after charging/(crediting):

	2019	2018
	£	£
Depreciation of owned fixed assets	346,689	424,493
(Profit) on disposal of fixed assets	(14,871)	(22,050)
Operating lease costs:		
- Plant and machinery	64,275	90,508
- Other	127,740	158,012
	<u>4,900</u>	<u>4,825</u>
Auditor's remuneration - audit of the financial statements		

### 4. Particulars of Employees

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

	2019	2018
	No	No
Directors	6	6
Operations	117	117
Administration	5	4
	<u>128</u>	<u>127</u>

The aggregate payroll costs of the above were:

	2019	2018
	£	£
Wages and salaries	2,206,835	2,431,814
Social security costs	161,362	195,550
Other pension costs	91,254	78,219
	<u>2,459,451</u>	<u>2,705,583</u>

# Dart Valley Railway Ltd

## Notes to the Financial Statements

Year Ended 31 December 2019

### 5. Directors' Remuneration

The directors' aggregate remuneration in respect of qualifying services were:

	2019	2018
	£	£
Aggregate remuneration	261,153	366,715
Compensation for loss of office	-	147,048
Value of company pension contributions to money purchase schemes	11,694	19,153
	<u>272,847</u>	<u>532,916</u>

#### Remuneration of highest paid director:

	2019	2018
	£	£
Aggregate remuneration (excluding pension contributions)	117,320	140,400
Value of company pension contributions to money purchase schemes	5,940	8,107
	<u>123,260</u>	<u>148,507</u>

The number of directors who accrued benefits under company pension schemes was as follows:

	2019	2018
	No	No
Money purchase schemes	<u>3</u>	<u>4</u>

### 6. Interest Payable and Similar Charges

	2019	2018
	£	£
Interest payable on bank borrowing	<u>19,993</u>	<u>3,241</u>

# Dart Valley Railway Ltd

## Notes to the Financial Statements

Year Ended 31 December 2019

### 7. Taxation on Ordinary Activities

#### (a) Analysis of charge in the year

	2019 £	2018 £
Current tax:		
In respect of the year:		
UK Corporation tax	(47,821)	47,821
Total current tax	(47,821)	47,821
Deferred tax:		
Origination and reversal of timing differences (note 17)		
Capital allowances	124,312	14,885
Tax on profit on ordinary activities	<u>76,491</u>	<u>62,706</u>

#### (b) Factors affecting tax charge

The tax assessed on the profit on ordinary activities for the year is lower (2018 – higher) than the standard rate of corporation tax in the UK of 19% (2018 – 19%).

	2019 £	2018 £
Profit on ordinary activities before taxation	<u>580,012</u>	<u>299,630</u>
Profit on ordinary activities by rate of tax	110,202	56,930
Expenses not deductible for tax purposes (including goodwill amortisation)	886	7,528
Non-taxable income	(19,000)	-
Other tax adjustments	(870)	-
Adjustment of deferred tax rate	<u>(14,727)</u>	<u>(1,752)</u>
Total tax (note 7(a))	<u>76,491</u>	<u>62,706</u>

### 8. Profit Attributable to Members of the Parent Company

The profit dealt with in the financial statements of the parent company was £410,017 (2018 - £270,387).

### 9. Dividends

#### Equity dividends

	2019 £	2018 £
Paid		
Equity dividends on ordinary shares	<u>112,203</u>	<u>113,951</u>
Proposed after the year end (not recognised as a liability)		
Equity dividends on ordinary shares	<u>-</u>	<u>117,413</u>

The dividend paid in the year of £112,203 (2018 - £113,951) is net of waived and renounced dividends of £2,068 (2018 - £2,113) and unclaimed dividends of more than 12 years old of £3,126 (2018 - £1,349) which have been forfeited.

# Dart Valley Railway Ltd

## Notes to the Financial Statements

Year Ended 31 December 2019

### 10. Intangible Fixed Assets

#### Group

	Goodwill £	Internally generated software development £	Total £
<b>Cost</b>			
At 1 Jan 2019	336,144	-	336,144
Additions	-	8,063	8,063
<b>At 31 Dec 2019</b>	<b>336,144</b>	<b>8,063</b>	<b>344,207</b>
<b>Amortisation</b>			
At 1 Jan 2019	336,144	-	-
<b>At 31 Dec 2019</b>	<b>336,144</b>	<b>-</b>	<b>-</b>
<b>Net Book Value</b>			
At 31 December 2019	-	8,063	8,063
<b>At 31 December 2018</b>	<b>-</b>	<b>-</b>	<b>-</b>

#### Company

	Internally generated software development £
<b>Cost</b>	
At 1 Jan 2019	-
Additions	8,063
<b>At 31 Dec 2019</b>	<b>8,063</b>
<b>Amortisation</b>	
At 1 Jan 2019	-
<b>At 31 Dec 2019</b>	<b>-</b>
<b>Net Book Value</b>	
At 31 December 2019	8,063
<b>At 31 December 2018</b>	<b>-</b>

# Dart Valley Railway Ltd

## Notes to the Financial Statements

Year Ended 31 December 2019

### 11. Tangible Fixed Assets

Group	Freehold Property £	Short Leasehold Property £	Locos £	Motor Vessels £	Other Assets £	Total £
<b>Cost</b>						
At 1 Jan 2019	3,215,753	665,673	2,045,179	3,091,637	3,419,456	12,437,698
Additions	269,808	-	498,730	-	1,004,281	1,772,819
Disposals	(256,090)	-	-	-	-	(256,090)
<b>At 31 Dec 2019</b>	<b><u>3,229,471</u></b>	<b><u>665,673</u></b>	<b><u>2,543,909</u></b>	<b><u>3,091,637</u></b>	<b><u>4,423,737</u></b>	<b><u>13,954,427</u></b>
<b>Depreciation</b>						
At 1 Jan 2019	575,200	409,067	761,354	1,351,159	1,650,318	4,747,098
Charge for the year	26,079	33,384	57,265	15,439	214,522	346,689
Eliminated on disposal	(11,435)	-	-	-	-	(11,435)
<b>At 31 Dec 2019</b>	<b><u>589,844</u></b>	<b><u>442,451</u></b>	<b><u>818,619</u></b>	<b><u>1,366,598</u></b>	<b><u>1,864,840</u></b>	<b><u>5,082,352</u></b>
<b>Net Book Value</b>						
<b>At 31 Dec 2019</b>	<b><u>2,639,627</u></b>	<b><u>223,222</u></b>	<b><u>1,725,290</u></b>	<b><u>1,725,039</u></b>	<b><u>2,558,897</u></b>	<b><u>8,872,075</u></b>
At 31 Dec 2018	<u>2,640,553</u>	<u>256,606</u>	<u>1,283,825</u>	<u>1,740,478</u>	<u>1,769,138</u>	<u>7,690,600</u>
<b>Company</b>		<b>Freehold Property £</b>	<b>Locos £</b>	<b>Other Assets £</b>		<b>Total £</b>
<b>Cost</b>						
At 1 January 2019		2,870,608	2,045,178	2,080,061		6,995,847
Additions		269,808	498,730	498,315		1,266,853
Disposals		-	-	(68,030)		(68,030)
<b>At 31 December 2019</b>		<b><u>3,140,416</u></b>	<b><u>2,543,908</u></b>	<b><u>2,510,346</u></b>		<b><u>8,194,670</u></b>
<b>Depreciation</b>						
At 1 January 2019		563,765	761,354	1,022,044		2,347,163
Charge for the year		26,079	57,265	106,921		190,265
Eliminated on disposal		-	-	(27,735)		(27,735)
<b>At 31 December 2019</b>		<b><u>589,844</u></b>	<b><u>818,619</u></b>	<b><u>1,101,230</u></b>		<b><u>2,509,693</u></b>
<b>Net Book Value</b>						
<b>At 31 December 2019</b>		<b><u>2,550,572</u></b>	<b><u>1,725,289</u></b>	<b><u>1,409,116</u></b>		<b><u>5,684,977</u></b>
At 31 December 2018		<u>2,306,843</u>	<u>1,283,824</u>	<u>1,058,017</u>		<u>4,648,684</u>



# Dart Valley Railway Ltd

## Notes to the Financial Statements

Year Ended 31 December 2019

### 12. Investments

Company	Group companies £
<b>Cost</b>	
At 1 January 2019 and 31 December 2019	<u>1,229,721</u>
<b>Net Book Value</b>	
At 31 December 2019 and 31 December 2018	<u>1,229,721</u>

The company owns 100% of the issued share capital of the companies listed below:

#### Held directly

Dartmouth Insurance Group (Consultants) Limited – Dormant

#### Held indirectly

Dart Pleasure Craft Limited - Pleasure, ferry boat and bus operator

Dart Free Houses Limited - Dormant

The Dart Maritime Enterprise Limited - Dormant

The Millbrook Steamboat and Trading Company Limited - Dormant

All the above companies are incorporated in England and Wales and their registered office addresses are the same as for Dart Valley Railway Ltd.

### 13. Stocks

	2019 £	Group 2018 £	2019 £	Company 2018 £
Consumable stores	288,980	309,202	186,879	195,243
Goods for resale	<u>72,027</u>	<u>60,036</u>	<u>72,027</u>	<u>60,036</u>
	<u>361,007</u>	<u>369,238</u>	<u>258,906</u>	<u>255,279</u>

### 14. Debtors

	2019 £	Group 2018 £	2019 £	Company 2018 £
Trade debtors	16,036	18,687	8,703	12,716
Amounts owed by group undertakings	-	-	840,906	1,096,197
Corporation tax	47,821	-	37,716	-
VAT recoverable	41,631	26,154	35,036	11,170
Other debtors	14,268	3,232	14,268	2,987
Prepayments and accrued income	<u>316,971</u>	<u>246,963</u>	<u>190,871</u>	<u>119,663</u>
	<u>436,727</u>	<u>295,036</u>	<u>1,127,500</u>	<u>1,242,733</u>

# Dart Valley Railway Ltd

## Notes to the Financial Statements

Year Ended 31 December 2019

### 15. Creditors: Amounts falling due within one year

	2019	Group 2018	2019	Company 2018
	£	£	£	£
Bank overdraft	420,622	-	420,622	-
Bank loans	43,107	41,608	43,107	41,608
Trade creditors	276,282	269,081	134,033	147,359
Corporation tax	-	47,821	-	37,716
PAYE and social security	85,967	161,591	85,967	161,591
Other creditors	208,706	318,837	207,008	318,658
Accruals and deferred income	131,180	128,317	62,743	85,301
	<u>1,165,864</u>	<u>967,255</u>	<u>953,480</u>	<u>792,233</u>

The company has a £400,000 bank loan repayable over 10 years from March 2013. Interest is fixed for 5 years at 3.545% and thereafter interest will be charged at 2.46% over the bank's base rate.

Bank borrowings are secured by charges over the group's assets.

### 16. Creditors: Amounts falling due after more than one year

	2019	Group 2018	2019	Company 2018
	£	£	£	£
Bank loans	<u>104,653</u>	<u>149,109</u>	<u>104,653</u>	<u>149,109</u>

### 17. Deferred Taxation

The movement in the deferred taxation provision during the year was:

	2019	Group 2018	2019	Company 2018
	£	£	£	£
Provision brought forward	692,344	677,459	354,192	328,655
Increase in provision	<u>124,312</u>	<u>14,885</u>	<u>100,170</u>	<u>25,537</u>
Provision carried forward	<u>816,656</u>	<u>692,344</u>	<u>454,362</u>	<u>354,192</u>

# Dart Valley Railway Ltd

## Notes to the Financial Statements

Year Ended 31 December 2019

### 17. Deferred Taxation (continued)

The group's provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2019 £	Group 2018 £	2019 £	Company 2018 £
Excess of taxation allowances over depreciation on fixed assets	863,424	692,344	500,745	354,192
Short term timing differences	(1,512)	-	(1,512)	-
Losses	(45,256)	-	(44,871)	-
	<u>816,656</u>	<u>692,344</u>	<u>454,362</u>	<u>354,192</u>

### 18. Commitments under Operating Leases

At 31 December 2019 the group had total future minimum lease payments under non-cancellable operating leases as set out below.

Group	2019		2018	
	Land and buildings £	Other items £	Land and buildings £	Other items £
Within 1 year	52,903	20,000	56,321	20,000
Within 2 to 5 years	112,721	80,000	135,400	80,000
After more than 5 years	-	65,000	11,171	85,000
	<u>165,624</u>	<u>165,000</u>	<u>202,892</u>	<u>185,000</u>

### 19. Related Party Transactions

The group has taken advantage of the exemptions under FRS 102 not to disclose any transactions or balances with wholly owned subsidiaries.

### 20. Share Capital

Allotted, called up and fully paid:

	2019		2018	
	No	£	No	£
Ordinary shares of £1 each	<u>260,917</u>	<u>260,917</u>	<u>260,917</u>	<u>260,917</u>

### 21. Reserves

The capital redemption reserve represents the nominal value of the company's shares purchased or cancelled or redeemed by the company.

The profit and loss account represents cumulative profit or losses, net of dividends paid and other adjustments.

# Dart Valley Railway Ltd

## Notes to the Financial Statements

Year Ended 31 December 2019

### 22. Notes to the Cash Flow Statement

#### Reconciliation of Profit to net cash inflow from operating activities:-

	2019 £	2018 £
<b>Group</b>		
Group profit for the year	503,521	236,924
Depreciation	346,689	424,493
Profit on disposal of fixed assets	(14,871)	(22,050)
Interest paid	19,993	3,241
Taxation	76,491	62,706
Decrease/(increase) in stocks	8,231	6,335
Decrease/(increase) in debtors	(93,870)	31,196
Increase/(decrease) in creditors	(175,691)	283,049
Cash from operations	670,493	1,025,894
Interest paid	(19,993)	(3,241)
Corporation tax (paid)	(47,821)	(57,451)
Net cash generated from operating activities	602,679	965,202

#### Analysis of Changes in Net Debt

	At 1 Jan 2019 £	Cash flows £	At 31 Dec 2019 £
Net cash:			
Cash in hand and at bank	716,016	(653,215)	62,801
Overdrafts	-	(420,622)	(420,622)
	716,016	(1,073,837)	(357,821)
Debt:			
Debt due within 1 year	(41,608)	(1,499)	(43,107)
Debt due after 1 year	(149,109)	44,456	(104,653)
	(190,717)	42,957	(147,760)
Net funds (debt)	525,299	(1,030,880)	(505,581)

# Dart Valley Railway Ltd

## Five Year Financial Record

### Group summary of results

	2015	2016	2017	2018	2019
	£	£	£	£	£
Turnover	5,232,406	5,348,570	5,343,964	5,732,356	5,599,422
Net Profit after tax	636,255	1,417,934	406,916	236,924	503,521
Net Assets	5,619,677	6,884,909	7,139,209	7,262,182	7,653,500
Dividend per share	60p	60p	45p	45p	Nil

### Passengers carried

	No	No	No	No	No
Railway	227,184	229,824	219,366	226,395	230,619
Boats	323,174	296,687	292,693	289,556	251,367
Buses	115,461	115,866	108,432	107,251	104,903