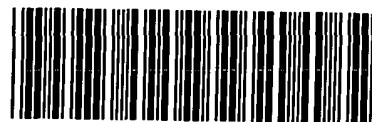


**Dart Valley Railway Ltd**

**Annual Report  
Year Ended 31 December 2022**

**Company Registration Number 00852020**

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COMPANIES HOUSE

# **Dart Valley Railway Ltd**

## **Financial Statements**

**Year Ended 31 December 2022**

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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

#### **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**

### **Notice of Meeting**

Notice is hereby given that the Annual General Meeting of the company will be held at 11am on 15 November 2023 at Queens Park Station, Paignton, Devon, for the following purposes:

1. To receive and adopt the directors' report and financial statements for the year ended 31 December 2022.

Registered office:

Queens Park Station  
Torbay Road  
Paignton  
Devon  
TQ4 6AF

By order of the board

J.R. Jones  
Director

#### **Notes:**

- a. A shareholder entitled to attend and vote at the meeting may appoint one or more proxies to attend and, on a poll, vote on his behalf. A proxy need not be a member of the company.
- b. A form of proxy is enclosed with this notice for your use in respect of the business set out above. To be effective, the form of proxy together with the power of attorney or other authority (if any) under which it is signed (or a notorially certified or an office copy of such power of authority) must be lodged at the company's auditor's office; Sigma House, Oak View Close, Edginswell Park, Torquay TQ2 7FF at least forty-eight hours before the time appointed for the meeting.

## **Dart Valley Railway Ltd**

### **Chairman's Statement**

**Year Ended 31 December 2022**

The shadow of Covid continues to have an effect on the country as a whole and the Company is no exception. Despite the apparent retreat of the virus we were unable to make firm plans for the year due to the uncertainty, not only of a recurrence of the pandemic, but also the economic and social effects of life after the pandemic. We therefore had to keep our plans flexible.

In retrospect, we were able to run a full service for the first time since 2019 and attitudes towards social distancing returning to normal. Our financial results for 2022 were strong and with a record turnover of £6.1m and a profit before tax of £822k. These results have allowed us to continue investment in our infrastructure and assets, although we do still have a "Covid debt", and therefore the board will not be proposing a dividend for 2022.

Investment in our locomotive fleet was significantly increased in 2019 after the Company found itself with only one serviceable locomotive for the season! A strategic review highlighted the problem of potential shortages recurring in the future. The board therefore decided to target an excess of operating locomotives to allow us to reduce risk to our own operations, but also take advantage of potential revenue in the locomotive rental market. I am pleased to say that we now have a fleet of five serviceable locomotives and a sixth to return to service shortly. This situation has allowed us to rent locomotives out on both a long and short term basis, generating revenues that makes a significant contribution to our engineering overhead.

A major challenge during 2022 was the overhaul of "Kingswear Castle" paddle steamer. The board took the decision to keep her out of service for the whole season to allow the use of the slip at Old Mill Yard at a time when it is usually empty, our marine maintenance team have worked long and hard, doing an exceptional job and I am pleased to report she returned to service in 2023.

I have to express my gratitude to the support of the board during the year, as well as our teams in all divisions, Marine, Railway and Buses, who have once again been our greatest assets. Their efforts were rewarded when the Company was shortlisted for the Heritage Railway Association's Railway of the Year, an honour, in recognition of the superb quality of staff and facilities.

David Allan  
Chairman

## **Dart Valley Railway Ltd**

### **Strategic Report**

**Year Ended 31 December 2022**

#### ***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***

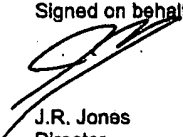
The safe operation of the group's activities is essential. The group has a culture that puts health and safety at the top of the agenda. It is overseen by the board and senior management, who ensure that the appropriate training, assessments and procedures are in place.

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

#### ***Passenger numbers***

Please see the five year financial record for details of passenger numbers. Boat and bus numbers increased whilst there was a small drop in railway passengers.

Signed on behalf of the board by



J.R. Jones  
Director

Approved by the directors on 28 September 2023

## Dart Valley Railway Ltd

### Directors' Report

#### Year Ended 31 December 2022

The directors present their report and the financial statements of the group for the year ended 31 December 2022.

#### Results and Dividends

The profit for the year, after taxation, amounted to £626,247.

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 31 December 2022	At 1 January 2022 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 (resigned 12 May 2022)	-	-

The board, which operates as a single team, is currently made up of three executive directors and two 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 2022**

#### **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.

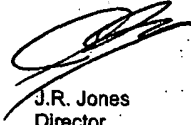
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and enable them to ensure that the financial statements comply with 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 28 September 2023



## **Dart Valley Railway Ltd**

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

**Year Ended 31 December 2022**

#### **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 2022, 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 2022 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**

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or the parent company's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

#### **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.

We have nothing to report in this regard.

## **Dart Valley Railway Ltd**

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

Year Ended 31 December 2022

### **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 6, 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.

### **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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

## **Dart Valley Railway Ltd**

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

#### **Year Ended 31 December 2022**

As part of our audit planning we obtained an understanding of the legal and regulatory framework that is applicable to the group. We gained an understanding of the group and the industries in which the group operates as part of this assessment to identify the key laws and regulations affecting the group. We identified the principal risks of non-compliance with laws and regulations as relating to breaches around railway and marine safety regulations. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as financial reporting legislation (including the Companies Act 2006) and taxation legislation.

We discussed with management how the compliance with these laws and regulations is monitored. We also identified the individuals who have responsibility for ensuring that the group complies with laws and regulations and deals with reporting any issues if they arise. As part of our planning procedures, we assessed the risk of any non-compliance with laws and regulations on the group and the parent company's ability to continue trading and the risk of material misstatement to the accounts.

We also evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements. We determined that the principal risks were related to the overstatement of profits, either through overstating revenue, understating expenditure or management bias in accounting estimates and judgements included in the financial statements.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations and respond to the risks identified of fraudulent manipulation. Our procedures involved the following:

- Enquiries of management regarding their knowledge of any non-compliance with laws and regulations that could affect the financial statements. As part of these enquiries we also discussed with management whether there have been any known instances of fraud.
- We reviewed legal and professional costs to identify any possible non-compliance or legal costs in respect of non-compliance.
- Review of Board minutes.
- Audited the risk of management override of controls, including testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.
- Reviewed estimates and judgements made in the accounts for any indication of bias and challenged assumptions used by management in making the estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements. This risk increases the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements as we are less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment, collusion, omission or misrepresentation.

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.

## **Dart Valley Railway Ltd**

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

Year Ended 31 December 2022

### **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.

*PKF Francis Clark*

MARTIN HOBBS BSc ACA (Senior Statutory Auditor)

PKF FRANCIS CLARK

Statutory Auditor

Sigma House

Oak View Close

Edginswell Park

Torquay

TQ2 7FF

28 September 2023

## **Dart Valley Railway Ltd**

### **Group Profit and Loss Account**

**Year Ended 31 December 2022**

	<b>Note</b>	<b>2022 £</b>	<b>2021 £</b>
<b>Turnover</b>	<b>2</b>	<b>6,103,764</b>	5,927,351
Cost of sales		<b>(3,476,181)</b>	(3,080,258)
<b>Gross Profit</b>		<b>2,627,583</b>	2,847,093
Administrative expenses		<b>(1,751,004)</b>	(1,790,263)
Other operating income	<b>3</b>	<b>6,534</b>	354,337
<b>Operating Profit</b>	<b>4</b>	<b>883,113</b>	1,411,167
Other interest receivable and similar income		-	80
Interest payable and similar charges	<b>7</b>	<b>(60,708)</b>	(50,491)
<b>Profit / (loss) on Ordinary Activities Before Taxation</b>		<b>822,405</b>	1,360,756
Tax on profit on ordinary activities	<b>8</b>	<b>(196,158)</b>	(565,847)
<b>Profit for the Financial Year</b>		<b>626,247</b>	794,909

**The notes on pages 17 to 27 form part of these financial statements.**

# Dart Valley Railway Ltd

## Group Balance Sheet

31 December 2022

	Note	2022 £	2021 £
<b>Fixed Assets</b>			
Intangible assets	11	-	-
Tangible assets	12	9,303,437	8,783,549
		<u>9,303,437</u>	<u>8,783,549</u>
<b>Current Assets</b>			
Stocks	14	365,876	320,612
Debtors	15	818,173	456,557
Cash at bank and in hand		1,962,894	3,168,939
		<u>3,146,943</u>	<u>3,946,108</u>
<b>Creditors: Amounts falling due within one year</b>	16	<u>(1,432,922)</u>	<u>(1,438,063)</u>
<b>Net Current Assets</b>		<u>1,714,021</u>	<u>2,508,045</u>
<b>Total Assets Less Current Liabilities</b>		<u>11,017,458</u>	<u>11,291,594</u>
<b>Creditors: Amounts falling due after more than one year</b>	17	<u>(1,228,045)</u>	<u>(2,318,125)</u>
<b>Provisions for Liabilities</b>			
Deferred taxation	18	<u>(1,498,701)</u>	<u>(1,310,409)</u>
		<u>8,290,712</u>	<u>7,663,060</u>
<b>Capital and Reserves</b>			
Called-up equity share capital	21	260,917	260,917
Capital redemption reserve	22	13,030	13,030
Profit and loss account	22	8,016,765	7,389,113
		<u>8,290,712</u>	<u>7,663,060</u>
<b>Shareholders' Funds</b>		<u>8,290,712</u>	<u>7,663,060</u>

These accounts were approved by the directors and authorised for issue on 28/9/23 and are signed on their behalf by:

P. Merrington



J.R. Jones BA, ACMA



The notes on pages 17 to 27 form part of these financial statements.

# Dart Valley Railway Ltd

## Balance Sheet

31 December 2022

	Note	2022 £	2021 £
<b>Fixed Assets</b>			
Tangible assets	12	6,996,503	6,389,632
Investments	13	1,229,721	1,229,721
		<u>8,226,224</u>	<u>7,619,353</u>
<b>Current Assets</b>			
Stocks	14	280,486	233,830
Debtors	15	315,887	1,308,589
Cash at bank and in hand		1,162,165	1,693,306
		<u>1,758,538</u>	<u>3,235,725</u>
<b>Creditors: Amounts falling due within one year</b>	16	<u>(1,470,233)</u>	<u>(1,268,067)</u>
<b>Net Current Assets</b>		<u>288,305</u>	<u>1,967,658</u>
<b>Total Assets Less Current Liabilities</b>		<u>8,514,529</u>	<u>9,587,011</u>
<b>Creditors: Amounts falling due after more than one year</b>	17	<u>(1,228,045)</u>	<u>(2,318,125)</u>
<b>Provisions for Liabilities</b>			
Deferred taxation	18	<u>(1,046,404)</u>	<u>(869,623)</u>
		<u>6,240,080</u>	<u>6,399,263</u>
<b>Capital and Reserves</b>			
Called-up equity share capital	21	260,917	260,917
Capital redemption reserve	22	13,030	13,030
Profit and loss account	22	5,966,133	6,125,316
<b>Shareholders' Funds</b>		<u>6,240,080</u>	<u>6,399,263</u>

The company made a loss after taxation for the financial year of £160,588 (2021 – loss of £46,477).

These accounts were approved by the directors and authorised for issue on 28/9/23, and are signed on their behalf by:

P. Merrington



J.R. Jones BA, ACMA

Company Registration Number: 00852020



The notes on pages 17 to 27 form part of these financial statements.

## **Dart Valley Railway Ltd**

### **Group Statement of Changes in Equity**

**Year Ended 31 December 2022**

	<b>Share Capital £</b>	<b>Capital redemption reserve £</b>	<b>Profit and loss account £</b>	<b>Total £</b>
At 1 January 2022	260,917	13,030	7,389,113	7,663,060
Profit for the year	-	-	626,247	626,247
Total comprehensive income	-	-	626,247	626,247
Dividends forfeited	-	-	1,405	1,405
At 31 December 2022	260,917	13,030	8,016,765	8,290,712

	<b>Share Capital £</b>	<b>Capital redemption reserve £</b>	<b>Profit and loss account £</b>	<b>Total £</b>
At 1 January 2021	260,917	13,030	6,565,338	6,839,285
Profit for the year	-	-	794,909	794,909
Total comprehensive income	-	-	794,909	794,909
Dividends forfeited	-	-	28,866	28,866
At 31 December 2021	260,917	13,030	7,389,113	7,663,060

**The notes on pages 17 to 27 form part of these financial statements.**



# **Dart Valley Railway Ltd**

## **Statement of Changes in Equity**

**Year Ended 31 December 2022**

	<b>Share Capital £</b>	<b>Capital redemption reserve £</b>	<b>Profit and loss account £</b>	<b>Total £</b>
At 1 January 2022	260,917	13,030	6,125,316	6,399,263
Loss for the year	-	-	(160,588)	(160,588)
Total comprehensive income	-	-	(160,588)	(160,588)
Dividends forfeited	-	-	1,405	1,405
At 31 December 2022	260,917	13,030	5,966,133	6,240,080

	<b>Share Capital £</b>	<b>Capital redemption reserve £</b>	<b>Profit and loss account £</b>	<b>Total £</b>
At 1 January 2021	260,917	13,030	6,142,927	6,416,874
Loss for the year	-	-	(46,477)	(46,477)
Total comprehensive income	-	-	(46,477)	(46,477)
Dividends forfeited	-	-	28,866	28,866
At 31 December 2021	260,917	13,030	6,125,316	6,399,263

**The notes on pages 17 to 27 form part of these financial statements.**

## **Dart Valley Railway Ltd**

### **Group Cash Flow Statement**

**Year Ended 31 December 2022**

	<b>Note</b>	<b>2022 £</b>	<b>2021 £</b>
<b>Net cash inflow from operating activities</b>	<b>23</b>	<b><u>630,064</u></b>	<b><u>2,325,225</u></b>
<b>Cash flows from investing activities</b>			
Payments to acquire tangible fixed assets		<b>(763,434)</b>	<b>(640,065)</b>
Receipts from sales of tangible fixed assets		<b>-</b>	<b>97,333</b>
<b>Net cash used in investing activities</b>		<b><u>(763,434)</u></b>	<b><u>(542,732)</u></b>
<b>Cash flows from financing activities</b>			
Repayment of bank loans		<b>(1,074,080)</b>	<b>(424,575)</b>
Proceeds from bank borrowing drawdowns		<b>-</b>	<b>-</b>
Dividends forfeited		<b>1,405</b>	<b>28,866</b>
<b>Net cash used in financing activities</b>		<b><u>(1,072,675)</u></b>	<b><u>(395,709)</u></b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b><u>(1,206,045)</u></b>	<b>1,386,784</b>
Cash and cash equivalents at beginning of year		<b><u>3,168,939</u></b>	<b><u>1,782,155</u></b>
Cash and cash equivalents at end of year		<b><u>1,962,894</u></b>	<b><u>3,168,939</u></b>

**The notes on pages 17 to 27 form part of these financial statements.**

# **Dart Valley Railway Ltd**

## **Notes to the Financial Statements**

**Year Ended 31 December 2022**

### **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 at the end of September 2023. The directors believe that the group has sufficient resources, 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 2022

#### 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 2022

### 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) Government grants

Grant income is accounted for using the accruals method. Revenue grants are recognised on a systematic basis over the periods to which the costs to which the grants relate are recognised. Capital grants are recognised over the useful life of the related asset on the same basis as depreciation is charged.

#### (n) 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:

	2022	2021
	£	£
Sale of goods – shop, bar and catering sales	512,578	456,352
Rendering of services – ticket and other sales	5,591,186	5,470,999
	<u>6,103,764</u>	<u>5,927,351</u>

# **Dart Valley Railway Ltd**

## **Notes to the Financial Statements**

**Year Ended 31 December 2022**

### **3. Other Operating Income**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Coronavirus Job Retention Scheme	-	140,882
Other Government grants	-	208,396
Other operating income	<b>6,534</b>	<b>5,059</b>
	<b><u>6,534</u></b>	<b><u>354,337</u></b>

### **4. Operating Profit**

Operating profit is stated after charging/(crediting):

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Depreciation of owned fixed assets	<b>433,546</b>	<b>372,904</b>
Loss/(profit) on disposal of fixed assets	-	<b>37,482</b>
Operating lease costs:		
- Plant and machinery	<b>25,000</b>	<b>49,025</b>
- Other	<b>130,971</b>	<b>145,329</b>
	<b><u>6,150</u></b>	<b><u>4,900</u></b>
Auditor's remuneration - audit of the financial statements	<b>6,150</b>	<b>4,900</b>

### **5. Particulars of Employees**

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

	<b>2022</b>	<b>2021</b>
	<b>No</b>	<b>No</b>
Directors	<b>5</b>	<b>6</b>
Operations	<b>112</b>	<b>98</b>
Administration	<b>5</b>	<b>5</b>
	<b><u>122</u></b>	<b><u>109</u></b>

The aggregate payroll costs of the above were:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>2,325,936</b>	<b>2,328,300</b>
Social security costs	<b>210,131</b>	<b>171,098</b>
Other pension costs	<b>123,476</b>	<b>133,836</b>
	<b><u>2,659,543</u></b>	<b><u>2,633,234</u></b>

# **Dart Valley Railway Ltd**

## **Notes to the Financial Statements**

**Year Ended 31 December 2022**

### **6. Directors' Remuneration**

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

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Aggregate remuneration	<b>329,118</b>	388,089
Value of company pension contributions to money purchase schemes	<b>33,263</b>	23,139
	<b><u>362,381</u></b>	<b><u>411,228</u></b>

#### **Remuneration of highest paid director:**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Aggregate remuneration (excluding pension contributions)	<b>148,385</b>	185,351
Value of company pension contributions to money purchase schemes	<b>21,700</b>	16,682
	<b><u>170,085</u></b>	<b><u>202,033</u></b>

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

	<b>2022</b>	<b>2021</b>
	<b>No</b>	<b>No</b>
Money purchase schemes	<b><u>3</u></b>	<b><u>3</u></b>

### **7. Interest Payable and Similar Charges**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Interest payable on bank borrowing	<b><u>60,708</u></b>	<b><u>50,491</u></b>

## Dart Valley Railway Ltd

### Notes to the Financial Statements

Year Ended 31 December 2022

#### 8. Taxation on Ordinary Activities

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

	2022 £	2021 £
Current tax:		
In respect of the year:		
UK Corporation tax	7,866	74,235
Total current tax	7,866	74,235
Deferred tax:		
Origination and reversal of timing differences (note 18)		
Capital allowances	188,292	491,612
Tax on profit on ordinary activities	196,158	565,847

##### (b) Factors affecting tax charge

The tax assessed on the profit on ordinary activities for the year is higher (2021 – higher) than the standard rate of corporation tax in the UK of 19% (2021 – 19%).

	2022 £	2021 £
Profit on ordinary activities before taxation	822,405	1,360,756
Profit on ordinary activities by rate of tax	156,257	258,544
Expenses not deductible for tax purposes (including goodwill amortisation)	512	239
Other tax adjustments	(13,778)	(3,909)
Adjustment of deferred tax rate	53,167	310,973
Total tax (note 8(a))	196,158	565,847

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

The (loss)/profit dealt with in the financial statements of the parent company was (£160,588) (2021 – (£46,477)).

#### 10. Dividends

##### Equity dividends

Unclaimed dividends of more than 12 years old of £1,405 (2021 - £28,866) which have been forfeited.



# Dart Valley Railway Ltd

## Notes to the Financial Statements

Year Ended 31 December 2022

### 11. Intangible Fixed Assets

Group	Goodwill £	Total £
<b>Cost</b>		
At 1 Jan 2022	336,144	336,144
<b>At 31 Dec 2022</b>	<b>336,144</b>	<b>336,144</b>
<b>Amortisation</b>		
At 1 Jan 2022	336,144	336,144
<b>At 31 Dec 2022</b>	<b>336,144</b>	<b>336,144</b>
<b>Net Book Value</b>		
At 31 December 2022	-	-
At 31 December 2021	-	-

### 12. Tangible Fixed Assets

Group	Freehold Property £	Short Leasehold Property £	Locos £	Motor Vessels £	Other Assets £	Total £
<b>Cost</b>						
At 1 Jan 2022	3,621,075	665,673	2,978,425	2,598,367	4,642,233	14,505,773
Additions	6,098	-	526,561	-	420,775	953,434
Disposals	-	-	-	-	-	-
<b>At 31 Dec 2022</b>	<b>3,627,173</b>	<b>665,673</b>	<b>3,504,986</b>	<b>2,598,367</b>	<b>5,063,008</b>	<b>15,459,207</b>
<b>Depreciation</b>						
At 1 Jan 2022	642,002	505,539	1,043,179	1,333,470	2,198,034	5,722,224
Charge for the year	26,079	30,163	140,421	13,890	222,993	433,546
Eliminated on disposal	-	-	-	-	-	-
<b>At 31 Dec 2022</b>	<b>668,081</b>	<b>535,702</b>	<b>1,183,600</b>	<b>1,347,360</b>	<b>2,421,027</b>	<b>6,155,770</b>
<b>Net Book Value</b>						
At 31 Dec 2022	2,959,092	129,971	2,321,386	1,251,007	2,641,981	9,303,437
At 31 Dec 2021	2,979,073	160,134	1,935,246	1,264,897	2,444,199	8,783,549

## Dart Valley Railway Ltd

### Notes to the Financial Statements

Year Ended 31 December 2022

Company	Freehold Property £	Locos £	Other Assets £	Total £
<b>Cost</b>				
At 1 January 2022	3,491,726	2,978,425	2,947,811	9,417,962
Additions	6,098	526,561	365,995	898,654
<b>At 31 December 2022</b>	<b><u>3,497,824</u></b>	<b><u>3,504,986</u></b>	<b><u>3,313,806</u></b>	<b><u>10,316,616</u></b>
<b>Depreciation</b>				
At 1 January 2022	642,002	1,043,179	1,343,149	3,028,330
Charge for the year	26,079	140,421	125,283	291,783
<b>At 31 December 2022</b>	<b><u>668,081</u></b>	<b><u>1,183,600</u></b>	<b><u>1,468,432</u></b>	<b><u>3,320,113</u></b>
<b>Net Book Value</b>				
<b>At 31 December 2022</b>	<b><u>2,829,743</u></b>	<b><u>2,321,386</u></b>	<b><u>1,845,374</u></b>	<b><u>6,996,503</u></b>
At 31 December 2021	<u>2,849,724</u>	<u>1,935,246</u>	<u>1,604,662</u>	<u>6,389,632</u>

### 13. Investments

Company	Group companies £
<b>Cost</b>	
At 1 January 2022 and 31 December 2022	<u>1,229,721</u>
<b>Net Book Value</b>	
<b>At 31 December 2022 and 31 December 2021</b>	<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.

## Dart Valley Railway Ltd

### Notes to the Financial Statements

Year Ended 31 December 2022

#### 14. Stocks

	2022	Group	2022	Company
	£	2021	£	2021
	£	£	£	£
Consumable stores	298,193	267,263	212,803	180,481
Goods for resale	67,683	53,349	67,683	53,349
	<u>365,876</u>	<u>320,612</u>	<u>280,486</u>	<u>233,830</u>

#### 15. Debtors

	2022	Group	2022	Company
	£	2021	£	2021
	£	£	£	£
Trade debtors	46,179	97,026	37,383	86,066
Amounts owed by group undertakings	-	-	-	1,031,897
VAT recoverable	24,521	47,924	18,641	32,452
Other debtors	392,665	56,487	3,872	3,406
Prepayments and accrued income	354,808	255,120	255,991	154,768
	<u>818,173</u>	<u>456,557</u>	<u>315,887</u>	<u>1,308,589</u>

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

	2022	Group	2022	Company
	£	2021	£	2021
	£	£	£	£
Bank loans	591,000	575,000	591,000	575,000
Trade creditors	196,358	266,245	134,396	178,340
Amounts due to group undertakings	-	-	108,448	-
Corporation tax	8,221	74,590	355	355
PAYE and social security	129,164	126,012	128,932	126,012
VAT payable	-	-	-	-
Other creditors	190,648	183,757	189,571	182,472
Accruals and deferred income	317,531	212,459	317,531	205,888
	<u>1,432,922</u>	<u>1,438,063</u>	<u>1,470,233</u>	<u>1,268,067</u>

In February 2020, the company obtained a £1,160,000 bank loan which is repayable over 8 years. Interest is fixed for 4 years at 2.26% and thereafter interest will be charged at 2.46% over the bank's base rate.

In April 2020, the company obtained a CBILS loan of £2,200,000 which is repayable over 6 years. Interest is charged at 1.34% over the bank's base rate.

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

Accruals of £190,000 are secured by a charge over the related fixed assets.

## Dart Valley Railway Ltd

### Notes to the Financial Statements

Year Ended 31 December 2022

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

	2022 £	Group 2021 £	2022 £	Company 2021 £
Bank loans	<u>1,228,045</u>	<u>2,318,125</u>	<u>1,228,045</u>	<u>2,318,125</u>

#### 18. Deferred Taxation

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

	2022 £	Group 2021 £	2022 £	Company 2021 £
Provision brought forward	1,310,409	818,797	869,623	503,137
Increase in provision	<u>188,292</u>	<u>491,612</u>	<u>176,781</u>	<u>366,486</u>
Provision carried forward	<u>1,498,701</u>	<u>1,310,409</u>	<u>1,046,404</u>	<u>869,623</u>

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

	2022 £	Group 2021 £	2022 £	Company 2021 £
Excess of taxation allowances over depreciation on fixed assets	1,500,406	1,314,610	1,048,109	873,824
Short term timing differences	(1,705)	(4,201)	(1,705)	(4,201)
Losses	-	-	-	-
	<u>1,498,701</u>	<u>1,310,409</u>	<u>1,046,404</u>	<u>869,623</u>

#### 19. Commitments under Operating Leases

At 31 December 2022 the group had total future minimum lease payments under non-cancellable operating leases as set out below.

Group	2022		2021	
	Land and buildings £	Other items £	Land and buildings £	Other items £
Within 1 year	52,903	45,000	52,903	20,000
Within 2 to 5 years	11,170	180,000	45,021	80,000
After more than 5 years	-	105,000	-	25,000
	<u>64,073</u>	<u>330,000</u>	<u>97,924</u>	<u>125,000</u>

#### 20. 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.

## Dart Valley Railway Ltd

### Notes to the Financial Statements

Year Ended 31 December 2022

#### 21. Share Capital

Allotted, called up and fully paid:

	2022		2021	
	No	£	No	£
Ordinary shares of £1 each	<u>260,917</u>	<u>260,917</u>	<u>260,917</u>	<u>260,917</u>

#### 22. 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.

#### 23. Notes to the Cash Flow Statement

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

	2022 £	2021 £
<b>Group</b>		
Group (loss)/profit for the year	626,247	794,909
Depreciation	433,546	400,639
Loss/(profit) on disposal of fixed assets	-	39,524
Interest paid	60,708	50,491
Taxation	196,158	565,847
Decrease/(increase) in stocks	(45,264)	(27,147)
Decrease/(increase) in debtors	(361,616)	130,385
Increase/(decrease) in creditors	(219,007)	315,441
Cash from operations	<u>690,772</u>	<u>2,270,089</u>
Interest paid	(60,708)	(50,491)
Corporation tax (paid)	-	105,627
Net cash generated from operating activities	<u>630,064</u>	<u>2,325,225</u>

#### Analysis of Changes in Net Debt

	At 1 Jan 2022 £	Cash flows £	At 31 Dec 2022 £
<b>Net cash:</b>			
Cash in hand and at bank	3,168,939	(1,206,045)	1,962,894
	<u>3,168,939</u>	<u>(1,206,045)</u>	<u>1,962,894</u>
<b>Debt:</b>			
Debt due within 1 year	(575,000)	(16,000)	(591,000)
Debt due after 1 year	(2,318,125)	1,090,080	(1,228,045)
	<u>(2,893,125)</u>	<u>1,074,080</u>	<u>(1,819,045)</u>
Net funds (debt)	<u>275,814</u>	<u>(131,965)</u>	<u>143,849</u>

## Dart Valley Railway Ltd

### Five Year Financial Record

#### Group summary of results

	2018	2019	2020	2021	2022
	£	£	£	£	£
Turnover	5,732,356	5,599,422	2,459,435	5,927,351	6,103,764
Net Profit/(loss) after tax	236,924	503,521	(814,215)	794,909	626,247
Net Assets	7,262,182	7,653,500	6,839,285	7,663,060	8,290,712
Dividend per share	45p	Nil	Nil	Nil	Nil

#### Passengers carried

	No	No	No	No	No
Railway	226,395	230,619	92,881	228,977	220,199
Boats	289,556	251,367	98,213	190,746	197,495
Buses	107,251	104,903	Nil	30,228	33,830