

Company Registration Number 1010188

**WEST SOMERSET RAILWAY PUBLIC  
LIMITED COMPANY**

**Report and Financial Statements**

**31 December 2009**

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# **WEST SOMERSET RAILWAY PUBLIC LIMITED COMPANY**

## **REPORT AND FINANCIAL STATEMENTS 2009**

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## **WEST SOMERSET RAILWAY PUBLIC LIMITED COMPANY**

### **OFFICERS AND PROFESSIONAL ADVISERS**

#### **DIRECTORS**

N P Adams FCA 1,2

R B Auger B Sc CEng MICE MStructE 1,4

H R Davies IEng MIBF (Vice Chairman) 3

C W J Downrick ACIB 1

G W Evens (Secretary)

D Holmes B Sc(Hons) MechE CEng FIMechE MAPM (WSRA Nominee) 1,2,4

M A Johns CEng FIMechE 4

R L Lizars ACIB 1,2

D T Morgan MBE TD MCIT (Deputy Chairman) 1,2 4

R S Savill FCA (Finance Director)

M L Smith MIRO (Chairman) 3

I G W Stone B Sc (Hons) 1

1 Non-Executive Director

2 Member of Audit Committee

3 Member of Remuneration Committee

4 Member of Safety Audit Committee

#### **GENERAL MANAGER**

P W Conibeare MIRO

#### **REGISTERED OFFICE**

The Railway Station  
Minehead  
Somerset  
TA24 5BG

#### **AUDITORS**

A C Mole & Sons  
Chartered Accountants  
& Statutory Auditor  
Stafford House  
Blackbrook Park Avenue  
Taunton  
Somerset  
TA1 2PX

#### **BANKERS**

Lloyds TSB Bank plc  
19 The Parade  
Minehead  
Somerset  
TA24 5LU

#### **SOLICITORS**

David T Morgan  
5 College Street  
Westminster  
London  
SW1P 3SJ

RadcliffesLeBrasseur  
5 College Street  
Westminster  
London  
SW1P 3SJ

**WEST SOMERSET RAILWAY PUBLIC LIMITED COMPANY**

**NOTICE OF MEETING**

NOTICE IS HEREBY GIVEN of the thirty-eight Annual General Meeting of the Company which will be held at Bishops Lydeard Village Hall, Bishops Lydeard nr Taunton, on Saturday 26 June 2010 at 11 30 am to transact the following business

- 1 To consider the Chairman's Report for 2009
- 2 To consider the Company's Financial Statements and the Reports of the Directors and Auditors for the year ended 31 December 2009
- 3 To elect Directors (see Directors' Report)
- 4 To appoint A C Mole & Sons as Auditors to the Company and to authorise the Directors to agree their remuneration
- 5 To transact any other business which may be properly transacted at an Annual General Meeting
- 6 To confirm date and venue of 2011 Annual General Meeting

By order of the Board



G W Evens  
Secretary  
12 April 2010

The Railway Station  
Minehead  
Somerset  
TA24 5BG

**NOTE** Any member entitled to attend and vote is entitled to appoint a proxy to attend and, on a poll vote on his behalf. A proxy need not be a member of the Company.

**NOTE:** Members requiring assistance when attending the AGM should note this on their Attendance Cards

## WEST SOMERSET RAILWAY PUBLIC LIMITED COMPANY

### CHAIRMAN'S REPORT 2009

I am delighted to report that in 2009, the Company returned to profitability. Turnover exceeded £2m for the fourth consecutive year and visitor numbers were at an all time high with over 226 000 passenger journeys recorded. This is not the only good news! The spend per passenger increased, and this coupled with careful cost control and clever purchasing led to the Company being able to declare a profit after tax of £116,000. More importantly we have been able to make cautious progress with a number of infrastructure and other long-term works.

A number of factors have contributed to the recovery. We undoubtedly benefited from an increased number of people taking holidays in the South West. The regenerated environs of Minehead station are now attractive enough to encourage the passer by to take a train journey. An attractive Spring Steam Gala, blessed with reasonable weather and later the hiring of the new steam locomotive Tornado all served to bring the Railway a positive press early in the year. This in turn gave confidence to our hard working commercial team. The core paid team supported by enthusiastic volunteers work tirelessly to promote the delights of a ride on our trains. There are also good results to report from retail sales and our catering. Both managers have bought wisely, displayed imaginatively and achieved better margins than in recent years.

These improved trading results are not just welcome, they are essential. You will read elsewhere in this report that costs particularly locomotive coal and oils continue to rise steeply. The Board has set fares and prices that will recover these increasing costs and yet are affordable to our potential customers. Careful monitoring of costs, and price reviews for all the services that we offer, have to be ongoing.

The difficulties caused by the 2008 rail grinding exercise and the remedial work that was needed to restore a good gauge corner to the rail distracted our permanent way effort, and slowed progress on other infrastructure work. These distractions spilled over and affected the output of our mechanical engineers and the delay to the completion and return to service of No 7828 Odncy Manor was inevitable. I can but apologise that completion of the locomotive is not anticipated in time for our Annual General Meeting Weekend.

However I am able to report that work on the installation of a second locomotive inspection pit, additional capacity and some long needed attention to the drainage at Bishops Lydeard will have been completed by the Annual General Meeting.

We were also relieved that the detailed engineers' inspection of the Mineral Line Bridge at Watchet indicated that the work was not so immediately urgent as feared. This enabled us to replan and consider a number of alternative approaches with the work being put in hand during the close season at the end of this year. Many of you supported our appeal generously with over £28 000 raised in 2009 thank you! More unfortunately is needed with current preliminary estimates indicating costs in excess of £132,000, and an appeal letter is included with this Report. Your ongoing support is vital to enable this and other essential work to be carried out.

As with any enterprise the Railway is entirely dependent upon its people. Increasing the business and securing it for the future is only made possible by their dedication, their thirst for training and a willingness to work long hours sometimes in rather poor conditions. We owe them all our thanks.

Finally you will read elsewhere that there are new arrangements for our Annual Meeting. On Saturday 26<sup>th</sup> June, our formal Annual General Meeting will be held at Bishops Lydeard in the morning. This will be followed by a light buffet lunch and ride to either Williton to look at the engineering work or Minehead by service train and accompanied by your Board of directors.



Mark Smith

Chairman

12 April 2010

## **WEST SOMERSET RAILWAY PUBLIC LIMITED COMPANY**

### **DIRECTORS' REPORT**

The directors present their annual report and audited financial statements for the year ended 31 December 2009

### **PRINCIPAL ACTIVITY**

The principal activity of the company is to operate the West Somerset Railway between Minehead and Bishops Lydeard in the County of Somerset

### **RESULTS AND DIVIDENDS**

The profit for the year after taxation amounted to £116,000 (2008 loss £105,000)

In accordance with Clause 4 (44) of the Memorandum of Association, the members of the company are not entitled to a dividend

### **ISSUES OF SHARES**

The company issued a further 438,150 (2008 2,570,060) 10p ordinary shares at par for cash consideration in order to provide additional capital

### **REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS**

A review of activities for the year and actions to be implemented in 2010 are included in the Chairman's report on page 3. The majority of the railway's income is from tourism, particularly in the summer and autumn months. With the current financial climate the Board is not anticipating any increase in passengers in 2010 but hopes to continue to benefit as the railway did in 2009 from the increase in the numbers of people taking a holiday in the UK together with the rise in day trips by those people staying at home. Coal and Diesel costs have been rising steeply over the last five years culminating in an increase of over 30% in 2009. With similar prices being anticipated for 2010 the Board had no option but to increase fares in 2010 to ensure that it is able to continue to operate the railway at its present level. Whilst there was a net outflow of cash in the year this was entirely due to the 2009 capital expenditure programme which included further costs on the restoration of Odney Manor from funds already earmarked at 31st December 2008. Based on the forecast of similar passenger numbers in the 2010 season the company has sufficient cash reserves to meet funding requirements until at least the 2011 season.

### **GOING CONCERN**

The company has total cash funds of £728,000 at 31<sup>st</sup> December 2009. Based on passenger forecasts, budgets and plans for 2010 the Directors believe there are no material uncertainties that lead to significant doubt on the Company's ability to continue in business as an operational heritage railway for the foreseeable future. Accordingly the financial statements continue to be prepared on a going concern basis.

## **WEST SOMERSET RAILWAY PUBLIC LIMITED COMPANY**

### **DIRECTORS' REPORT (continued)**

#### **DIRECTORS AND THEIR INTERESTS**

The directors and their interests in the share capital of the company on 1 January 2009 and 31 December 2009 were as follows

	<b>Ordinary shares of 10p each</b>	
	<b>31 December 2009</b>	<b>1 January 2009</b>
N P Adams (Appointed 25 04 09)	500	500
R B Auger	3,000	3 000
H R Davies	5,100	5,100
C W J Dowrick	20,000	20 000
G W Evens	5,500	5,500
D Holmes	1,000	1 000
M A Johns	4,500	4,500
R L Lizars	22,000	22 000
D T Morgan	4,050	4,050
R S Savill	23,000	22,000
M L Smith	21,000	20,000
I P Stone (Appointed 30 05 09)	5,000	-
R M White (Resigned 1 02 09)	1,750	1,750

In accordance with the Articles of Association Messrs M A Johns, R L Lizars, D T Morgan and M L Smith retire from office Messrs M A Johns, R L Lizars, D T Morgan and M L Smith, being eligible, offer themselves for re-election

#### **CORPORATE GOVERNANCE**

The July 2003 Combined Code Committee's report on the financial aspects of corporate governance contained a Code of Best Practice Whilst there is no requirement on the company to do so, the directors have reviewed the company's practices in respect of those recommendations contained in the Code which they believe to be most relevant to the company The following information is presented as voluntary disclosures for the benefit of the shareholders The company has not complied with, and has not attempted to comply with, the full requirements of the Code

#### **BOARD OF DIRECTORS**

The company has a Board of Directors of five executive and seven non-executive directors which the Board believes is appropriate for the company at the current time The Board meets formally on a regular basis Written procedures have been approved by the Board covering matters which require specific Board approval Similarly, there are written procedures enabling Board members to seek independent professional advice in furtherance of their duties

#### **REMUNERATION COMMITTEE**

The Remuneration Committee consists of two executive directors None of the directors are employed by the company

#### **AUDIT COMMITTEE**

The Audit Committee consists of four non-executive directors and the company secretary who is also secretary of the Audit Committee Other Board members also have the right to attend However at least once each year, the Committee meets with the external auditors without executive Board members being present, except by invitation

## **WEST SOMERSET RAILWAY PUBLIC LIMITED COMPANY**

### **DIRECTORS' REPORT (continued)**

#### **SAFETY AUDIT COMMITTEE**

It is the Board's policy that safety is the absolute priority for all those working on the railway. A committee of three non-executive directors, one executive director and the general manager ensure that proper procedures are in place for risk assessment and safety management, and that procedures are subject to periodic audit and review.

#### **PAYMENT POLICY**

It is company policy to comply with the terms of payment agreed with a supplier. Where terms are not negotiated, the company endeavours to adhere to the supplier's standard terms. The company's year-end trade creditors correspond to 31 days (2008: 31 days) of credit purchases.

#### **STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

#### **AUDITORS**

Deloitte LLP resigned as auditors on 3<sup>rd</sup> December 2009. The Board appointed A C Mole & Sons of Taunton as the company's auditor in their place. A C Mole & Sons have expressed a willingness to remain in office as the company's auditor. A resolution to confirm the appointment of A C Mole & Sons as the company's auditor will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors  
and signed on behalf of the Board



**G W Evens**  
Secretary

10 April 2010



## **WEST SOMERSET RAILWAY PUBLIC LIMITED COMPANY**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the annual 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). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE  
WEST SOMERSET RAILWAY PUBLIC LIMITED COMPANY**

We have audited the financial statements of West Somerset Railway Public Limited Company for the year ended 31 December 2009 on pages 9 to 20. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

As explained more fully in the Statement of Directors' Responsibilities set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

**Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its 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.

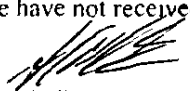
**Opinion on other matter prescribed by the Companies Act 2006**

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

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.

  
Stephen Golby BA FCA (Senior Statutory Auditor)  
for and on behalf of A C Mole & Sons  
Chartered Accountants & Statutory Auditor  
Stafford House  
Blackbrook Park Avenue  
Taunton  
Somerset TA1 2PX  
13 April 2010

**WEST SOMERSET RAILWAY PUBLIC LIMITED COMPANY**

**PROFIT AND LOSS ACCOUNT**  
**Year ended 31 December 2009**

	Notes	2009 £'000	2008 £'000
<b>TURNOVER</b>	1	2 619	2 235
Other operating income	2	122	66
<b>GROSS PROFIT</b>		2,741	2,301
Staff costs	3	(637)	(654)
Depreciation		(137)	(117)
Other operating charges		(1,851)	(1 690)
<b>OPERATING PROFIT/ (LOSS)</b>		116	(160)
Interest receivable		7	30
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	4	123	(130)
Tax (charge)/ credit on profit/(loss) on ordinary activities	5	(7)	25
<b>PROFIT /(LOSS) FOR THE FINANCIAL YEAR</b>	15	116	(105)

All activities derive from continuing operations

There are no recognised gains and losses for the current and preceding financial year other than as stated in the profit and loss account. Accordingly, no separate statement of total recognised gains and losses has been prepared

**Company Registration Number 1010188**

# WEST SOMERSET RAILWAY PUBLIC LIMITED COMPANY

## BALANCE SHEET At 31 December 2009

	Notes	2009 £'000	2008 £'000
<b>FIXED ASSETS</b>			
Tangible assets	6	2,022	1,936
<b>CURRENT ASSETS</b>			
Stocks	8	67	71
Debtors – within one year	9	208	164
Debtors – after more than one year	9	0	60
Investments - treasury deposit	18	400	503
Cash at bank and in hand	18	328	316
		1,003	1,114
<b>CREDITORS' AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	10	(314)	(467)
<b>NET CURRENT ASSETS</b>		689	647
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		2,711	2,583
<b>CREDITORS' AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>	11	0	(76)
<b>PROVISIONS FOR LIABILITIES</b>	12	(216)	(159)
<b>DEFERRED INCOME</b>	13	(281)	(294)
<b>NET ASSETS</b>		2,214	2,054
<b>CAPITAL AND RESERVES</b>			
Called up share capital	14	1,688	1,644
Profit and loss account	15	526	410
<b>SHAREHOLDERS' FUNDS</b>	15	2,214	2,054

These financial statements were approved by the Board of Directors on 12 April 2010

Signed on behalf of the Board of Directors



M L Smith  
Director



R S Savill  
Director

**WEST SOMERSET RAILWAY PUBLIC LIMITED COMPANY**

**CASH FLOW STATEMENT**  
**Year ended 31 December 2009**

**RECONCILIATION OF OPERATING PROFIT/(LOSS) TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	Notes	2009	2008
		£'000	£'000
<b>OPERATING PROFIT/(LOSS)</b>		116	(160)
Depreciation less amortisation of grant		125	115
Profit on sale tangible fixed assets		(17)	0
Decrease in stocks		4	20
Decrease/(increase) in debtors		16	(102)
(Decrease)/ Increase in creditors		(113)	297
Increase locomotive repair provision		49	42
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>		<b>180</b>	<b>212</b>
<b>RETURNS ON INVESTMENTS AND SERVICING FINANCE</b>			
Interest received		7	30
<b>CAPITAL EXPENDITURE</b>			
Purchase of tangible fixed assets		(243)	(486)
Proceeds from disposal of tangible fixed assets		<u>37</u>	<u>60</u>
<b>NET CASH OUTFLOW FROM CAPITAL EXPENDITURE</b>		<b>(206)</b>	<b>(426)</b>
<b>CASH OUTFLOW BEFORE FINANCING</b>		<b>(19)</b>	<b>(184)</b>
<b>FINANCING</b>			
Issue of ordinary share capital		44	257
Loan Somerset County Council		0	22
Repayment Loans Somerset County Council		(116)	(16)
<b>(DECREASE)/INCREASE IN CASH IN YEAR</b>	<b>18</b>	<b><u>(91)</u></b>	<b><u>79</u></b>

## WEST SOMERSET RAILWAY PUBLIC LIMITED COMPANY

### NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2009

#### 1 ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted, which have been applied consistently throughout the current and the prior financial year, are described below.

##### Accounting convention

The financial statements are prepared under the historical cost convention.

##### Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is charged on a straight-line basis over the estimated useful economic life of each asset, or the estimated useful economic life of individual major components.

Useful economic life is principally as follows:

Long leasehold land, buildings and improvements	25 to 50 years
Rolling stock	5 to 25 years
Tracks, plant, vehicles and equipment	2 to 25 years

Until restoration has been completed, no depreciation is being charged on Locomotive 7828, which was purchased in May 2004.

##### Taxation

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

In accordance with FRS 19, deferred taxation is provided in full on timing differences which represent an asset or liability at the balance sheet date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

##### Stocks

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

##### Government grants

Government grants made as a contribution towards expenditure on fixed assets are recognised in the balance sheet as deferred income and amortised to the profit and loss account in equal annual instalments over the estimated lives of the assets to which they relate.

##### Investments and investment gains and losses

Unquoted investments are held and are included in the balance sheet at cost. Unquoted investments received as donations or gifts are carried at nil cost.

# WEST SOMERSET RAILWAY PUBLIC LIMITED COMPANY

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2009

### 1 ACCOUNTING POLICIES (continued)

#### Pension costs

Pension costs relating to the company's defined contribution pension scheme are charged against profits as they become payable

#### Leases

Rental costs under operating leases are charged to the profit and loss account in equal annual amounts over the period of the lease

#### Turnover

Turnover represents amounts receivable for goods and services provided in the United Kingdom net of trade discounts, VAT and other related taxes. Turnover is recognised on performance of services

#### Other operating income

Donations received towards both revenue and capital costs are recognised in the period in which they are received and disclosed as 'other operating income'

#### Segmental reporting

The results for the current and prior year are derived from one class of business in the United Kingdom

2	OTHER OPERATING INCOME	2009 £'000	2008 £'000
	Donations revenue	43	17
	Donations capital	13	39
	Legacy capital	66	10
		---	
		122	66

The sums received in respect of capital donations have been allocated to the costs of the projects specified by the donors

# WEST SOMERSET RAILWAY PUBLIC LIMITED COMPANY

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2009

### 3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	£'000 2009	£'000 2008
Directors' emoluments (as employees)		
Remuneration (including benefits in kind)	-	-
Contributions to defined contribution pension scheme	-	-
	-	-
	637	654
	£'000	£'000
Employee costs during the year (including directors)		
Wages and salaries	564	580
Social security costs	44	45
Pension costs	29	29
	-	-
	637	654
	No	No
Average number of persons employed		
Railway	37	42
Shop	5	5
	-	-
	42	47

The average number of persons employed includes all full-time and part-time employees

In addition, the railway receives tremendous support from over 950 unpaid volunteers without whose services it could not operate as a financially viable commercial operation



**WEST SOMERSET RAILWAY PUBLIC LIMITED COMPANY**

**NOTES TO THE FINANCIAL STATEMENTS**

Year ended 31 December 2009

**4 PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION**

	<b>2009</b>	<b>2008</b>
	<b>£'000</b>	<b>£'000</b>
Profit/(Loss) on ordinary activities before taxation is after charging/(crediting)		
Hire for rolling stock	347	260
Depreciation - owned assets	137	117
Auditors' remuneration - audit fee	8	10
Rentals under operating leases - plant and machinery	7	7
Amortisation of government grant	(13)	(2)

**5 TAX CHARGE/ (CREDIT) ON PROFIT (LOSS) ON ORDINARY ACTIVITIES**

	<b>2009</b>	<b>2008</b>
	<b>£'000</b>	<b>£'000</b>
<b>Analysis of charge in year</b>		
United Kingdom corporation tax at 21% (2008 21%)	-	-
Deferred taxation	38	38
Less taxable losses carried forward	(31)	(63)
<b>Tax charge/ (credit) on profit/(loss) on ordinary activities</b>	<b>7</b>	<b>(25)</b>

**Factors affecting tax charge in year**

The standard rate of tax for the year, based on the UK standard rate of corporation tax, is 21% (2008 21%)  
The actual tax for the current and previous year differs from the standard rate for the reasons set out in the following reconciliation

	<b>£'000</b>	<b>£'000</b>
Profit/(Loss) on ordinary activities before tax	123	(130)
<b>Tax charge/(credit) on profit/(loss) on ordinary activities at standard rate</b>	<b>26</b>	<b>(27)</b>
Legacy not subject to corporation tax	(14)	2
Qualifying capital allowances in excess of depreciation	(43)	(35)
Increase in rate of corporation tax on provision brought forward	-	(3)
Unrelieved tax losses	31	63
<b>Current tax charge for the year</b>	<b>-</b>	<b>-</b>

# WEST SOMERSET RAILWAY PUBLIC LIMITED COMPANY

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2009

### 6 TANGIBLE FIXED ASSETS

	Long leasehold land and buildings and improvements £'000	Rolling stock £'000	Plant, vehicles and equipment £'000	Track and signalling £'000	Total £'000
<b>Cost</b>					
At 1 January 2009	745	1,110	392	771	3,018
Additions	19	184	30	10	243
Disposals	-	(16)	(7)	-	(23)
At 31 December 2009	764	1,278	415	781	3,238
<b>Accumulated depreciation</b>					
At 1 January 2009	308	257	282	235	1,082
Charge for the year	27	35	42	33	137
Disposals	-	(1)	(2)	-	(3)
At 31 December 2009	335	291	322	268	1,216
<b>Net book value</b>					
At 31 December 2009	429	987	93	513	2,022
At 31 December 2008	437	853	110	536	1,936

### 7 INVESTMENTS

The company holds the following shares: one of £500 in 5542 Limited, 418 of £10 in Dinmore Manor Locomotive Limited, 120 of £1 in Severn Valley Railway (Holdings) plc, 940 of 25p in Grand Central Railway plc, and 126 of £1 in North Norfolk Railway plc. All shares were given to the company and therefore have a nil cost.

### 8 STOCKS

	2009 £'000	2008 £'000
Raw materials and consumables	26	27
Goods for resale	41	44
	67	71

**WEST SOMERSET RAILWAY PUBLIC LIMITED COMPANY**

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 December 2009**

<b>9. DEBTORS</b>	<b>2009 £'000</b>	<b>2008 £'000</b>
Trade debtors	115	153
Valued added tax	16	17
Other debtors	8	1
Prepayments	69	53
	<u>208</u>	<u>224</u>

Trade debtors include £60,000 due from the West Somerset Railway Association relating to the balance on the sale of locomotive Ditchat Manor which is due in July 2010

<b>10 CREDITORS, AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	<b>2009 £'000</b>	<b>2008 £'000</b>
Loans	16	116
Trade creditors	206	241
Tax and social security costs	14	11
Other creditors	43	35
Accruals	35	64
	<u>314</u>	<u>467</u>

During the year ended 31 December 2005, the company received an interest-free loan of £80,000 from the Somerset County Council towards the Minehead Station Canopy Restoration. The unsecured loan is repayable in five equal annual instalments from May 2006. In March 2009 the company repaid in full the unsecured interest-free loan of £100,000 received from the Somerset County Council towards the Minehead Turntable Restoration.

In July 2008 the company purchased locomotive Ditchat Manor at a cost of £180,000. The balance of the purchase price was originally spread over two years with payments due of £60,000 in July 2009 and £60,000 in July 2010. The company made a full settlement of all outstanding amounts in July 2009. This locomotive was subsequently resold to the West Somerset Railway Association on similar terms.

<b>11 CREDITORS, AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>	<b>2009 £'000</b>	<b>2008 £'000</b>
Loans	-	16
Trade creditors	-	60
	<u>-</u>	<u>76</u>

# WEST SOMERSET RAILWAY PUBLIC LIMITED COMPANY

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2009

### 12 PROVISIONS FOR LIABILITIES

	Balance at 1 January 2009 £'000	Profit and loss account £'000	Balance at 31 December 2009 £'000
Locomotive repair provision	115	50	165
Deferred taxation	44	7	51
	<u>159</u>	<u>57</u>	<u>216</u>

The locomotive repair provision relates to Locomotive 53808, for which a long-term contract is in place requiring the company to carry out all repairs and overhauls during the duration of the contract. The provision is in accordance with the company and its suppliers' best estimates of the costs involved and based on the locomotive usage to date.

#### Deferred taxation

	2009 £'000	2008 £'000
The amount of deferred taxation provided in the financial statements is as follows		
Excess capital allowances over depreciation	145	107
Less taxable losses carried forward	(94)	(63)
	<u>51</u>	<u>44</u>
	£'000	£'000
Opening balance	44	69
Charge/(Credit) to profit and loss account	7	(25)
Closing balance	<u>51</u>	<u>44</u>

### 13 DEFERRED INCOME

	2009 £'000	2008 £'000
Deferred income Government grants	<u>281</u>	<u>294</u>
The movements in the year in respect of the government grants are as follows		
	£'000	£'000
Balance at beginning of year	294	243
Grants received during year on account of the Minehead Turntable Restoration	-	53
Amortised to profit and loss account	(13)	(2)
Balance at end of year	<u>281</u>	<u>294</u>

# WEST SOMERSET RAILWAY PUBLIC LIMITED COMPANY

## NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2009

14	<b>CALLED UP SHARE CAPITAL</b>	<b>2009 £'000</b>	<b>2008 £'000</b>
	<b>Authorised</b>		
	25 000 000 ordinary shares of 10p each	<u>2,500</u>	<u>2,500</u>
		<b>£'000</b>	<b>£'000</b>
	<b>Allotted and fully paid</b>		
	16,878,655 (2008 16,440,505) ordinary shares of 10p each	<u>1,688</u>	<u>1,644</u>

During the year 438,150 ordinary shares were issued at par for a total value of £43,815

The members of the company shall not be invited to participate in the income or profit of the company by way of dividends (other than by the issue of free or complimentary rail travel) and no action shall be taken by the company or its members which would have the effect directly or indirectly of participation by the members in the income or profits of the company or any successor to the company by way of dividends. Shareholders with fewer than 500 shares will not qualify for free or complimentary rail travel warrants.

If upon the winding up of the company there remains, after the satisfaction of all its debts and liabilities, any property whatsoever, the same may not be paid or distributed amongst its members. Such proceeds, land, premises or assets, shall be given or transferred to some other institution or institutions having objectives similar to West Somerset Railway PLC and which shall also prohibit the distribution of its income, profit or assets amongst its members to an extent at least as great as imposed on this company by virtue of this clause.

## 15 COMBINED RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS AND MOVEMENTS IN RESERVES

	<b>Called up share capital £'000</b>	<b>Profit and loss account £'000</b>	<b>2009 Total £'000</b>	<b>2008 Total £'000</b>
Balance at 1 January	1,644	410	2,054	1,902
Shares issued in year	44	-	44	257
Profit/ (Loss) for the financial year	-	116	116	(105)
Balance at 31 December	<u>1,688</u>	<u>526</u>	<u>2,214</u>	<u>2,054</u>

## 16 OPERATING LEASE COMMITMENTS

At 31 December 2009, the company was committed to payments of £8,529 (2008 £8 529) under land and property leases. The date of the next lease review will be March 2012.

## 17 PENSION SCHEMES

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in independently administered funds. The pension cost charge represents contributions payable by the company to the fund. £3,207 was owed to the pension scheme at 31 December 2009 (2008 £ nil).

# WEST SOMERSET RAILWAY PUBLIC LIMITED COMPANY

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2009

### 18 ANALYSIS OF CHANGES IN NET FUNDS

	1 January 2009 £'000	Cash flows £'000	31 December 2009 £'000
Cash at bank and in hand	316	12	328
Short-term investments - treasury deposits	503	(103)	400
Total cash and short-term investments	819	(91)	728
Loans	(132)	116	(16)
Net funds at end of year	<u>687</u>	<u>25</u>	<u>712</u>

### 19 TRANSACTIONS WITH DIRECTORS

Mr H R Davies is also a director of Cerdic Foundries Limited from whom supplies were obtained of £19,786 in the year (2008 £12,252) Messrs M L Smith and D F Morgan are also directors of the Heritage Railway Association from whom supplies were obtained of £391 in the year (2008 £599) Nothing was outstanding at the year end (2008 £2,319)

### 20. CAPITAL COMMITMENTS

At 31 December 2009 £125,455 (2008 £ nil ) had been contracted but not provided

## **WEST SOMERSET RAILWAY PUBLIC LIMITED COMPANY**

### **ADDITIONAL INFORMATION**

The following additional information has been prepared from the accounting records of the company. While it does not form part of the statutory financial statements and is unaudited, it should be read in conjunction with them and the independent auditors' report thereon.

# WEST SOMERSET RAILWAY PUBLIC LIMITED COMPANY

## DETAILED PROFIT AND LOSS ACCOUNT Year ended 31 December 2009

	2009 £'000	2008 £'000
<b>RAILWAY INCOME</b>		
Fares from service trains	1,915	1612
Wine and dine haulage	30	19
Steam experience courses	68	64
Rent and wayleaves	11	7
Ticket printing sales	6	7
Work done	40	21
Other trading income	25	17
Interest receivable	7	30
Profit on sale of tangible assets	17	0
	<u>2,119</u>	<u>1,777</u>
<b>CONTRIBUTION FROM RETAIL OPERATIONS</b>		
<b>SHOP</b>		
Sales	262	246
Purchases	(161)	(155)
Salaries and related costs	(35)	(38)
Consumables and direct costs	(3)	(2)
Depreciation fittings	(1)	(1)
	<u>62</u>	<u>50</u>
<b>BUFFET AND CATERING</b>		
Sales	262	242
Purchases	(110)	(111)
Salaries and related costs	(39)	(61)
Consumables and direct costs	(12)	(16)
Depreciation fittings	(2)	(3)
	<u>99</u>	<u>51</u>
<b>OPERATING COSTS AND OVERHEADS (following page)</b>		
Salaries and related costs	(563)	(555)
Operating	(1,294)	(1,081)
Establishment	(226)	(211)
Administration	(106)	(114)
Publicity	(90)	(113)
	<u>(2,279)</u>	<u>(2,074)</u>
<b>PROFIT /(LOSS) BEFORE OTHER OPERATING INCOME AND TAXATION</b>	<b>1</b>	<b>(196)</b>
<b>OTHER OPERATING INCOME</b>		
Donations revenue	43	17
Donations capital	13	39
Legacies capital	66	10
Taxation (charge)/credit for the year	(7)	25
<b>PROFIT /(LOSS) AFTER TAXATION</b>	<b>116</b>	<b>(105)</b>



# WEST SOMERSET RAILWAY PUBLIC LIMITED COMPANY

## DETAILED PROFIT AND LOSS ACCOUNT (continued) Year ended 31 December 2009

	2009 £'000	2008 £'000
<b>OPERATING COSTS AND OVERHEADS</b>		
Salaries and related costs	563	555
Operating		
- Fuel	336	257
- water and sewerage	34	26
- stock hire	347	260
- stock maintenance	304	259
- track maintenance	128	173
- bridges roads and buildings maintenance	70	32
- signal and telegraph	10	20
- other operating costs	65	54
	1294	1,081
Establishment		
- rent rates and insurance	19	18
- light and heat	35	28
- insurance	50	55
- depreciation less amortisation of grant	122	110
	226	211
Administration		
- post and telephone	34	34
- annual general meetings and audit	12	13
- legal and professional services	9	10
- other administration	51	57
	106	114
Publicity	90	113
	(2,279)	(2,074)