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West Somerset Railway

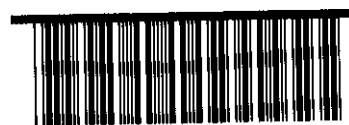
Public Limited Company

Report

and

Financial Statements

For the year ended 31st December 2000



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COMPANIES HOUSE

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Company Information

DIRECTORS

▲ D.H. Taylor F.C.I.S., F.Inst.Mgt., F.Inst. Pet. Chairman

⊙ M.L. Smith M.I.R.O. Managing Director

*†⊙ D.T. Morgan T.D., M.C.I.T. Deputy Chairman

C.W.J. Dowrick A.C.I.B.

† R.L. Lizars A.C.I.B. Secretary

R.S. Savill F.C.A. Finance Director

*† J.M. Donner

*⊙ C.A. Austin M.A., M.C.I.T.

*⊙ B.J. Crudge (W.S.R.A. Representative)

*†▲ P.T. Swan O.B.E., F.C.A.

*† N.I. Lowther F.C.A.

* H.R. Davies I.Eng., M.I.B.F. (W.S.R.A. Representative)

* R.P. Jones B.Ed.(Hons) (W.S.R.A. Representative) Resigned 24.02.01

* R.A. Wood

* M.R.D. Cooper

* Non Executive Director

† Member of Audit Committee

▲ Member of Remuneration Committee

⊙ Member of Safety Audit Committee

REGISTERED OFFICE

The Railway Station

Minehead

Somerset TA24 5BG

Telephone 01643 704996

AUDITORS

Deloitte & Touche

Queen Anne House

69-71 Queen Square

Bristol BS1 4JP

BANKERS

Lloyds TSB Bank Plc

19 The Parade

Minehead

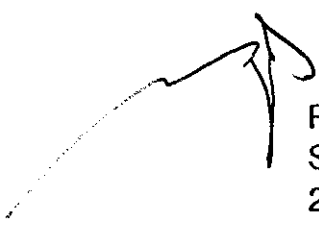
Somerset TA24 5LU

Notice of Meeting

NOTICE IS HEREBY GIVEN of the twenty ninth Annual General Meeting of the Company which will be held at The Regal Theatre, Minehead on Saturday, 23rd June 2001 at 2.30 p.m. to transact the following business:

1. To consider the Company's financial statements and the Reports of the Directors and Auditors for the year ended 31st December 2000.
2. To elect Directors (see Directors' Report).
3. Ordinary Resolution
 - i) That the Directors be and are hereby generally and unconditionally authorised for the purpose of Section 80 of the Companies Act 1985 ("the Act") during the period of five years from the date of this resolution ("the Period of Authority") to exercise all powers of the Company to allot relevant securities (as defined in Section 80 (2) of the Act) up to the amount of the authorised but unissued share capital of the Company at the date of this resolution save that the Company may before the expiry date of the Period of Authority make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of any such offer or agreement as if the authority conferred hereby had not expired and that all previous authorities granted to the Directors pursuant to Section 80 of the Act are hereby revoked.
 - ii) That in accordance with Section 95 of the Act the Directors be and are hereby given power during the Period of Authority to allot equity securities (as defined in Section 94 (2) of the Act) pursuant to the authority conferred by paragraph (i) of this resolution as if Section 89 (1) of the Act did not apply to such allotment.
4. To re-appoint Messrs. Deloitte & Touche 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.

By Order of the Board



R.L. Lizars A.C.I.B.
Secretary
24th March 2001

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.

Chairman's Report

The year 2000 was in itself a successful year's operation. Previously I commented on the fact that we had a financial commitment to restore locomotive 53808. As the work has progressed we have found that the work necessary to restore the locomotive to a first class condition is even more extensive than hitherto expected. Accordingly we have had to increase the financial provisions for the work in our 2000 accounts by an additional £88,785.

As a result of this additional provision, we have as a Company, incurred a loss for the past year of £24,001 before taxation. I would stress that our general operation for 2000 did in fact result in a surplus of £64,784 before taking the additional provisions for 53808 into account. The nett worth of the Company at 31st December 2000 is £1,147,213.

There was a slight increase in passenger numbers from 153,382 to 154,421 in 2000. There can be no doubt that tourism in the South West generally was down in 2000 due in the main to the appalling weather.

Yet again our two retail operations, retail and train buffets showed a marked increase in sales, and gross profit increased from £91,625 to £106,323. Again we congratulate those involved.

It is necessary to qualify just why we have a cash balance of £900,202 in the Balance Sheet as at 31.12.2000 Of this I stress:-

We have an expenditure by way of a cash requirement to run the Company in the first quarter of 2001 when income is low of	£163,200
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Capital Expenditure Committed	53808	£206,000
	5193	£ 112,000
Capital Projects 2001		£ 25,000
Advance payment to us and committed to a third party		£ 36,400
		<u>£542,600</u>

So we have a real surplus in the Bank of	<u>£357,600</u>
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More of that later.

The Company is now in the planning stage to extend the Electric Key Token (EKT) system to cover the entire line. To work the EKT system requires a cable route to be installed along the length of the railway. The cost of the first section will be £36,000. The whole system will take a minimum of five years. If we are to increase operational flexibility and the number of trains operated on the line consequent on a renewed connection with the main line, this improvement is deemed essential. We would ask you to consider this year applying for further shares to fund this work. A Share Application form is enclosed for your use.

It would be remiss of me not to thank those of you who kindly supported us last year by purchasing additional shares to enable us to extend our Carriage repair shop. The extension

Chairman's Report (continued)

was completed last year. The Engine Shed with 53808 and 5193 will be open for your inspection. THANK YOU.

Whilst in July last we were informed by Railtrack that the upgrading of the connection at Norton Fitzwarren would be commenced by them in the Autumn of 2000 with, I stress, the full financial co-operation of the three local authorities concerned, our hopes were subsequently dashed by Railtrack announcing in the Autumn that the work was deferred for 2/3 years. Very depressing for us all. We are dependent on Railtrack carrying out this work, the cost of which nearly doubled during 2000 from the original estimate.

On the positive side the essential work at Doniford to strengthen the coast against further erosion was completed last year and we are indebted to the positive support we received from the authorities to enable this work to take place.

Following last year's A.G.M. Neil Lowther, who contributed enormously to the Company's work as Financial Director, became a Non Executive Director consequent on his moving to Yorkshire. Roger Savill took on the role of Executive Finance Director.

We welcomed Roger Cooper to the Board during the past year and his confirmation of appointment is before you this year. Together with Dick Wood, appointed last year, Roger has contributed enormously to the Company's work. Richard Jones left the Board earlier this year as the Association's representative and we welcome his replacement Mike Johns, whose appointment will be subject to your ratification this year.

Sadly, lack of engineering facilities outside this Company to carry out heavy engineering work beyond our own resources e.g. boiler repairs has led to a delay in restoring both 53808 and 5193, the latter now being due for completion late Summer 2003.

I earlier referred to the Cash balance in our Balance Sheet over and above committed works. As ever changes in legislation continue to affect us financially and there is no doubt the Company will have to bear additional costs in this respect.

To this I must add our concerns as to the possible effects of the Foot and Mouth disease that could well affect the numbers visiting the West Country this year and your Railway. It is too early as I write to be precise in this respect. I will refer to it at the A.G.M.

The various voluntary support groups, The Association, Friends of Minehead Station, and now the Friends of Watchet Station, are together with other individual station support groups, all carrying out sterling work both financially and by provision of volunteer labour. We thank them all. To these groups I must add all the individual volunteers where numbers ever increase, and to whom we all owe a great debt of gratitude.

Dennis H. Taylor
Chairman

26th March 2001

Directors' Report

The Directors present their report and the audited financial statements for the year ended 31st December 2000.

Activities

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 loss for the year is as stated in the profit and loss account. The Directors do not recommend the payment of a dividend.

Issue of Shares

The Company issued a further 319,200 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 likely future developments is included in the Chairman's report on page 3 which is deemed to form part of this report.

Directors

The Directors and their interests in the Share Capital of the Company on 1st January 2000 (or the date of appointment*) and 31st December 2000 were as follows.

	Ordinary Shares of 10p each	
	31st December 2000	1st January 2000*
D.H. Taylor	8,500	8,200
D.T. Morgan	4,050	4,050
C.W.J. Dowrick	18,750	18,750
R.L. Lizars	21,800	21,800
M.L. Smith	16,000	15,000
J.M. Donner	50,000	50,000
C.A. Austin	7,500	7,500
B.J. Crudge	550	550
P.T. Swan	10,000	10,000
N.I. Lowther	1,000	1,000
H.R. Davies	1,600	1,600
R.S. Savill	10,500	10,000
R.P. Jones (resigned 24.2.01)	2,000	2,000
R.A. Wood	1,000	1,000
M.R.D. Cooper (appointed 25.11.00)	-----	-----

In accordance with the Articles of Association Messrs. Austin, Lizars and Savill retire from office. Messrs. Donner and Lowther, having reached the age of 70 retire from office pursuant to Section 293 of the Companies Act 1985. Messrs. Austin, Lizars, Savill, Donner and Lowther, being eligible, offer themselves for re-election.

Resolutions will be proposed at the Annual General Meeting to confirm the appointment of Mr. M.R.D. Cooper, who has been appointed since the last meeting and to consider any other nominations received in accordance with the Company's Articles of Association.

Corporate Governance

The 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,

Directors' Report (continued)

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 nine non executive Directors which the Board believes is appropriate for the Company at the current time. The Board meets formally on a regular basis, normally each month. 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 one Non-Executive Director and one Executive Director. Apart from the Managing Director all directors are unpaid. The remuneration of the Managing Director is decided by the Remuneration Committee.

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.

Safety Audit Committee:

It is the Board's policy that safety is the first priority for the Board and all working on the railway. A committee of three Non-Executive Directors and the Managing Director ensure that proper procedures are in place for risk assessment and safety management, and that procedures are subject to periodic audit and review. The Company is one of the few heritage railways to hold a full "Safety Case" approved by the Health and Safety Executive, facilitating the handling of through trains from the Railtrack network.

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 40 days of credit purchases.



Approved by the Board of Directors
and signed on behalf of the Board
R.L. Lizars A.C.I.B.
Secretary
24th March 2001

West Somerset Railway Public Limited Company

Statement of Directors' Responsibilities

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

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

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They 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.

Auditors' Report

to the members of the West Somerset Railway Public Limited Company

We have audited the financial statements on pages 8 to 13 which have been prepared under the accounting policies set out on page 10.

Respective responsibilities of directors and auditors

As described above, the company's directors are responsible for the preparation of financial statements, which are required to be prepared in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

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

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

Opinion

In our opinion the financial statements give a true and fair view of the company's affairs as at 31st December 2000 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

DELOITTE & TOUCHE
Chartered Accountants
and Registered Auditors
30th March 2001



Queen Anne House
69-71 Queen Square
Bristol BS1 4JP

West Somerset Railway Public Limited Company

Profit and Loss Account

for the year ended 31st December 2000

	Note	2000 £	1999 £
Turnover		1,215,469	1,142,188
Staff Costs	(2)	(284,631)	(264,270)
Depreciation		(49,677)	(48,071)
Amortisation of government grant		2,380	2,291
Other operating charges		(944,407)	(808,895)
Interest receivable		<u>36,865</u>	<u>29,297</u>
Loss on ordinary activities before taxation	(3)	(24,001)	52,540
Taxation credit on loss	(4)	<u>3,001</u>	<u>(9,838)</u>
Loss on ordinary activities after taxation	(13)	<u>(21,000)</u>	<u>42,702</u>

The company has no recognised gains or losses other than those included in the loss above and therefore no separate statements of total recognised gains and losses has been presented.
All items relate to continuing operations.

Balance Sheet

as at 31st December 2000

	Note	2000 £	1999 £
Fixed Assets			
Tangible Assets	(5)	607,362	579,936
Current Assets			
Stocks	(7)	51,092	52,705
Debtors and prepayments	(8)	31,974	38,967
Cash at bank and in hand		<u>900,202</u>	<u>834,341</u>
		<u>983,268</u>	<u>926,013</u>
Creditors: Amounts Falling Due Within One Year	(9)	<u>(224,303)</u>	<u>(206,786)</u>
Net Current Assets		<u>758,965</u>	<u>719,227</u>
Total Assets Less Current Liabilities		1,366,327	1,299,163
Provisions for Liabilities and Charges	(10)	(167,959)	(111,556)
Accruals and Deferred Income	(11)	<u>(51,155)</u>	<u>(51,314)</u>
		<u>1,147,213</u>	<u>1,136,293</u>
Capital and Reserves			
Called up share capital	(12)	1,093,852	1,061,932
Profit and loss account	(13)	<u>53,361</u>	<u>74,361</u>
Equity shareholders' funds		<u>1,147,213</u>	<u>1,136,293</u>

The financial statements on pages 8 to 13 were approved by the Board of Directors on 24th March 2001.

Signed on behalf of the Board of Directors

D.H. TAYLOR

M.L. SMITH

Directors

D. H. Taylor
D. H. Taylor

Mark L. Smith
Mark L. Smith

West Somerset Railway Public Limited Company

Statement of Cash Flows

for the year ended 31st December 2000

	Note	£	2000 £	£	1999 £
Net cash inflow from operating activities	(17)		77,021		80,295
Returns on investments and servicing of finance					
Interest received			36,865		29,297
Taxation					
Corporation tax paid			(9,063)		(5,799)
Capital Expenditure					
Purchase of tangible fixed assets		(78,103)		(29,230)	
Proceeds from sale of tangible fixed assets		5,000		2,900	
Grants received for purchase of fixed assets		2,221	(70,882)	-	(26,330)
			33,941		77,463
Financing					
Issue of ordinary share capital			31,920		61,310
Increase in cash	(18)		<u>65,861</u>		<u>138,773</u>

Notes to the Financial Statements

for the year ended 31st December 2000

1. Accounting Policies

The financial statements have been prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

ACCOUNTING CONVENTION

The financial statements are prepared under the historical cost convention.

TANGIBLE FIXED ASSETS

Depreciation is provided on cost in equal annual instalments over the estimated lives of the assets. The rates of depreciation are as follows:

Long leasehold land and buildings	2% per annum
Rolling stock	13-30% per annum
Plant and machinery	10-33% per annum
Fixtures and fittings	20-50% per annum
Motor vehicles	33-40% per annum
Track and point work	10-13% per annum
Leasehold improvements	4% per annum

No depreciation has been charged on the unrestored locomotive purchased in November 1998.

DEFERRED TAXATION

Deferred taxation is provided at the anticipated tax rates on differences arising 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 to the extent that it is probable that a liability or asset will crystallise in the future.

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.

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 discount, VAT and other related taxes.

2. Information Regarding Directors and Employees

	2000 £	1999 £
Directors' emoluments (as employees):		
Remuneration (including benefits in kind)	28,656	27,270
Contributions to defined contribution pension scheme	2,866	2,727
	<u>31,522</u>	<u>29,997</u>

One director only received any remuneration and is a member of the pension scheme.

Employee costs during the year:

Wages and salaries	254,022	235,531
Social security costs	16,167	14,909
Pension costs	14,442	13,830
	<u>284,631</u>	<u>264,270</u>

Average number of persons employed:

Railway	No. 22	No. 22
Shop	3	3
Total (full time equivalents)	<u>25</u>	<u>25</u>

West Somerset Railway Public Limited Company

Notes to the Financial Statements

(cont.) for the year ended 31st December 2000

3. Loss on Ordinary Activities Before Taxation

	2000 £	1999 £
Loss on ordinary activities before taxation is after charging:		
Rolling stock hire	175,104	157,022
Auditors, remuneration - audit fee	4,200	3,300
- non audit work	1,550	1,150
Rentals under operating leases	8,252	8,252
Profit on sale of fixed assets	4,000	2,011

4. Taxation

	2000 £	1999 £
United Kingdom Corporation Tax 20% (1999 20.25%) based on the loss for the year	(7,070)	8,400
Deferred taxation	3,019	2,639
Adjustment in respect of prior years - Corporation tax	1,336	(2,813)
- Deferred tax	(286)	1,612
	<u>(3,001)</u>	<u>9,838</u>

5. Tangible Fixed Assets

	Total £	Long Leasehold Land & Buildings £	Fixtures & Fittings £	Leasehold Improve- ments £	Plant & Machinery £	Rolling Stock £	Motor Vehicles £	Track & Point Work £
COST								
As at 1.1.00	1,004,820	210,000	39,547	345,071	58,542	148,766	7,777	195,117
Additions	78,103	-	22,504	25,340	2,529	26,373	-	1,357
Disposals	(9,277)	-	-	-	-	(8,000)	(1277)	-
As at 31.12.00	<u>1,073,646</u>	<u>210,000</u>	<u>62,051</u>	<u>370,411</u>	<u>61,071</u>	<u>167,139</u>	<u>6,500</u>	<u>196,474</u>

ACCUMULATED DEPRECIATION

As at 1.1.00	424,884	44,100	30,375	72,592	53,026	77,584	7,777	139,430
Charge for year	49,677	4,200	8,412	13,776	2,861	5,953	-	14,475
Disposals	(8,277)	-	-	-	-	(7,000)	(1,277)	-
As at 31.12.00	<u>466,284</u>	<u>48,300</u>	<u>38,787</u>	<u>86,368</u>	<u>55,887</u>	<u>76,537</u>	<u>6,500</u>	<u>153,905</u>

NET BOOK VALUE

As at 31.12.00	<u>607,362</u>	<u>161,700</u>	<u>23,264</u>	<u>284,043</u>	<u>5,184</u>	<u>90,602</u>	<u>-</u>	<u>42,569</u>
As at 31.12.99	<u>579,936</u>	<u>165,900</u>	<u>9,172</u>	<u>272,479</u>	<u>5,516</u>	<u>71,182</u>	<u>-</u>	<u>55,687</u>

6. Investments

The company holds one £500 share in 5542 Limited and 180 £10 shares in Dinmore Manor Locomotive Limited and 20 £1 shares in Severn Valley Railway (Holdings) P.L.C. which were given to the company and therefore have nil cost.

7. Stocks

	2000 £	1999 £
Raw materials and consumables	14,000	19,536
Goods for resale	37,092	33,169
	<u>51,092</u>	<u>52,705</u>

Notes to the Financial Statements

(cont.) for the year ended 31st December 2000

8. Debtors

	2000	1999
	£	£
Trade debtors	9,353	21,074
Valued Added Tax	6,879	12,076
Other debtors	11,396	3,174
Prepayments	4,346	2,643
	<u>31,974</u>	<u>38,967</u>

9. Creditors

	2000	1999
	£	£
Trade creditors	81,323	116,041
Tax and social security	5,007	11,718
Other creditors	81,499	33,091
Accruals	56,474	45,936
	<u>224,303</u>	<u>206,786</u>

10. Provisions for Liabilities and charges

	Balance at 1st January 2000	Charged (credited) to profit and loss account	Balance at 31st December 2000
	£	£	£
Locomotive repair provision	97,390	53,670	151,060
Deferred taxation	14,166	2,733	16,899
	<u>111,556</u>	<u>56,403</u>	<u>167,959</u>

The locomotive repair provision relates to Locomotive 53808, for which a contract is in place requiring the Company to complete the repairs and overhaul. The provision is in accordance with the Company and its suppliers best estimates of the costs involved.

Deferred Taxation

The amount of deferred taxation provided in the accounts is as follows:

	2000	1999
	£	£
Excess of capital allowances over depreciation	<u>16,899</u>	<u>14,166</u>

There were no unprovided amounts

11. Accruals and Deferred Income

	2000	1999
	£	£
Government grant	51,314	53,605
Balance at 1 January	2,221	-
Received during the year	(2,380)	(2,291)
Amortised to profit and loss account	<u>51,155</u>	<u>51,314</u>
Balance at 31 December		

West Somerset Railway Public Limited Company

Notes to the Financial Statements

(cont.) for the year ended 31st December 2000

12. Called Up Share Capital

	2000		1999	
	No.	£	No.	£
Authorised ordinary shares of 10p each	15,000,000	1,500,000	15,000,000	1,500,000
Allotted and fully paid:				
Balance at beginning of year	10,619,320	1,061,932	10,006,220	1,000,622
Ordinary shares issued in year	319,200	31,920	613,100	61,310
Balance at end of year	10,938,520	1,093,852	10,619,320	1,061,932

During the year a further 319,200 ordinary shares were issued at par.

13. Combined reconcillation of movement in Shareholder's Funds and movements in Reserves

	Called up Share Capital £	Profit and loss account £	2000 Total £	1999 Total £
Balance as at 1st January	1,061,932	74,361	1,136,293	1,032,281
Shares issued in year	31,920	-	31,920	61,310
Loss for year	-	(21,000)	(21,000)	42,702
Balance at 31st December	1,093,852	53,361	1,147,213	1,136,293

14. Operating Lease Commitments

At 31st December 2000 the Company was committed to payments of £7,000 p.a. for the next 2 years under a land lease.

15. Capital Commitments

No capital expenditure has been contracted for but not provided at 31st December 2000 (1999 Nil).

16. 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 pensions cost charge (Note 2) represents contributions payable by the Company to the fund. No amounts were owned to or by the pension fund at 31st December 2000.

17. Reconcillation of Operating Loss to Net Cash Inflow from Operating Activities

	2000 £	1999 £
Loss before tax	(24,001)	52,540
add interest receivable	(36,865)	(29,297)
Operating loss before interest	(60,866)	23,243
Profit on sale of fixed assets	(4000)	(2,018)
Depreciation less ammortisation of grant	47,297	45,780
Provisions created/(released)	53,670	(35,858)
Decrease/(increase) in stock	1,613	(1,676)
Decrease/(increase) in debtors	14,063	(5,504)
Increase in creditors	25,244	56,328
Net cash inflow from operating activities	77,021	80,295

18. Analysis of Changes in Cash during the year

	2000 £	1999 £
Balance at 1st January	834,341	695,568
Net cash inflow	65,861	138,773
Balance at 31st December	900,202	834,341