

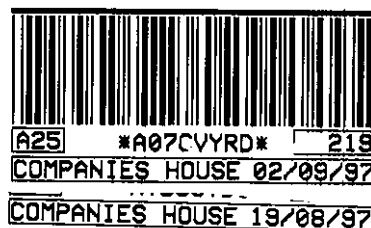
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TEIFI VALLEY RAILWAY LIMITED

FINANCIAL ACCOUNTS FOR THE
YEAR ENDED 31 MARCH 1997

MICHAEL S. RAMSEY, F.C.A.
Chartered Accountant/Registered Auditor



TEIFI VALLEY RAILWAY LIMITED
FINANCIAL ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 1997

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TEIFI VALLEY RAILWAY LIMITED
REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 MARCH 1997

The Directors' present their annual report on the affairs of the Company together with the Accounts and Auditors' Report for the above period.

1. RESULTS AND DIVIDENDS

The Loss of the Company for the period was £(14,292) (31.03.96 £6,073). The Directors recommend that this be deducted from the retained earnings at the beginning of the period and that the balance of £(20,725) be carried forward.

No goods were exported from the U.K. during the period.

2. REVIEW OF THE BUSINESS

The company's principal activity was the continuing development of the Narrow Gauge Railway, the running of the trains from Henllan to Llandyfriog and the operation of the gift shop at the station.

3. DIRECTORS

The Directors of the Company during the period and their beneficial interests in the issued share capital of the Company at the beginning and end of the period were as follows :

	Ordinary Shares of £1 each	
	31.03.97	31.03.96
T G Williams	1	1

4. LAND AND BUILDINGS

The Directors are of the opinion that the market value of the Company's Freehold Property is substantially in excess of the net book amount but, in the absence of a recent valuation, the amount of the excess is not quantified.

5. POLITICAL AND CHARITABLE DONATIONS

No political or charitable donations were made during the 15 MTHS.

6. STATUS

The Company is a close company under the provisions of the Taxes Acts.

7. AUDITORS

A resolution will be proposed at the Annual General Meeting to re-appoint the auditors, messrs. MICHAEL S. RAMSEY, F.C.A..

BY ORDER OF THE BOARD

Secretary

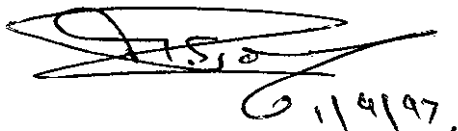
REPORT OF THE AUDITORS
TO THE MEMBERS OF TEIFI VALLEY RAILWAY LIMITED
FOR THE YEAR ENDED 31 MARCH 1997

We have audited the attached Balance Sheet, Profit and Loss Account and related schedules in accordance with approved auditing standards except that the scope of our work was limited by the matter referred to below.

The majority of income related to cash transactions. There was no system of control over such income on which we could rely for the purpose of our audit and there were no satisfactory audit procedures that we could adopt to confirm independently that all cash income was properly recorded. In this respect alone we have not obtained all the information and explanations that we considered necessary for the purpose of our audit and we were unable to satisfy ourselves as to the completeness and accuracy of the accounting records.

Subject to any adjustments that we might have found necessary had we been able to satisfy ourselves as to the matter referred to above, in our opinion the financial statements give a true and fair view of the state of the company's affairs at 31st March 1997 and of its results comply with Companies Act 1985.

MICHAEL S RAMSEY, F.C.A.
Chartered Accountant/Registered Auditor



6/1/97,



TEIFI VALLEY RAILWAY LIMITEDPROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 1997

	31.03.97	31.03.96
	£	£
Turnover	95,304	106,453
Cost of Sales		
Production Costs	13,387	28,676
<u>GROSS PROFIT</u>	<u>81,917</u>	<u>77,777</u>
Administration Costs		
General Overheads	95,872	70,601
Auditors' Remuneration	1,500	1,625
Depreciation	(1,038)	1,106
	<u>96,334</u>	<u>73,332</u>
	(14,417)	4,445
Sundry Income		
Bank Interest Received - Gross	224	397
<u>(LOSS)/PROFIT BEFORE TAXATION</u>	<u>(14,193)</u>	<u>4,842</u>
Tax on Ordinary Activities	(99)	1,231
<u>RETAINED (LOSS)/PROFIT FOR THE YEAR</u>	<u>£ (14,292)</u>	<u>£ 6,073</u>
<u>STATEMENT OF RETAINED EARNINGS</u>		
Retained Losses brought forward	(6,432)	(12,506)
Retained (Losses)/Profits for the Year	(14,292)	6,073
Retained Loss Carried Forward	<u>£ (20,724)</u>	<u>£ (6,433)</u>

TEIFI VALLEY RAILWAY LIMITEDTRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 1997

	31.03.97	31.03.96
	£	£
Ticket Sales	60,663	63,914
Shop Sales	18,870	17,679
Cafe Sales	-	19,414
Miscellaneous	6,772	5,446
Cafe Rents	6,000	-
Donations	2,999	-
	<hr/> 95,304	<hr/> 106,453

COST OF SALES

Opening Stock	5,203	4,443
Shop Purchases	13,897	15,440
Cafe Purchases	-	13,996
Closing Stock	(5,713)	(5,203)
	<hr/> 13,387	<hr/> 28,676

GROSS PROFIT

Bank Interest Received - Gross	224	397
	<hr/> 82,141	<hr/> 78,174

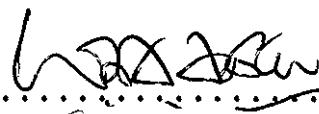

LESS OVERHEADS

Staff Wages, Travelling & Training	7,474	4,130
Sub-Contractors	11,485	6,290
Carriage Maintenance	517	2,039
Loco. Running Costs	5,238	4,340
Track and Building Maintenance	1,763	7,242
General Repairs and Renewals	8,829	1,423
Telephone Charges	543	521
Postage and Stationery	4,255	3,807
Advertising	8,388	11,417
Hire of Equipment	500	342
Heating and Lighting	2,317	1,673
Insurances	1,110	2,880
Rent Rates and Wayleaves	2,239	1,528
Bank Charges	1,909	1,415
Loan Interest	-	200
Consultancy Fees	30,686	19,666
Entertainers & Expenses	4,798	-
Sundry Expenses	3,821	1,688
Auditors Remuneration	1,500	1,625
Depreciation Freehold Property	9,348	9,325
Depreciation Plant & Equipment	1,804	1,804
Depreciation Fixtures & Fittings	1,683	3,830
Release of Grants	(13,873)	(13,853)
	<hr/> 96,334	<hr/> 73,332

NET (LOSS)/PROFIT FOR THE YEAR£ (14,193)£ 4,842

TEIFI VALLEY RAILWAY LIMITEDBALANCE SHEET
AS AT 31 MARCH 1997

	<u>Notes</u>	31.03.97 <u>£</u>	31.03.96 <u>£</u>
FIXED ASSETS			
Tangible Assets	6	280,725	292,660
CURRENT ASSETS			
Stock and Work in Progress	7	5,713	5,203
Debtors	8	4,653	1,664
Cash at Bank and in Hand		8,841	8,235
		<u>19,207</u>	<u>15,102</u>
CREDITORS			
Amounts due within one year	9	41,142	22,966
NET CURRENT LIABILITIES		<u>(21,935)</u>	<u>(7,864)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>258,790</u>	<u>284,796</u>
CREDITORS			
Amounts due in more than one year		7,542	5,882
		<u>7,542</u>	<u>5,882</u>
		<u>£ 251,248</u>	<u>£ 278,914</u>
CAPITAL AND RESERVES			
Share Capital	10	51,400	51,400
Reserves	11	199,848	227,514
		<u>£ 251,248</u>	<u>£ 278,914</u>


.....)

.....) DIRECTORS
.....)
13.8.97. DATE

TEIFI VALLEY RAILWAY LIMITEDSTATEMENT OF SOURCE AND APPLICATION OF FUNDS
FOR THE YEAR ENDED 31 MARCH 1997

	31.03.97	31.03.96
	£	£
TRADING SOURCE OF FUNDS		
Net (Loss)/Profit before Taxation	(14,193)	4,842
Adjustment for Items not involving the movement of Funds:		
Depreciation	12,835	14,959
Release of Grants	(13,873)	(13,853)
	(1,038)	1,106
	(15,231)	5,948
OTHER SOURCES OF FUNDS		
Tax Recovered	-	1,231
Additional Grants Received	500	3,701
	500	4,932
APPLICATION OF FUNDS		
Tax Paid	99	-
Purchase of Fixed Assets	900	426
	999	426
	(499)	4,506
<u>(DECREASE)/INCREASE IN WORKING CAPITAL</u>	<u>£ (15,730)</u>	<u>£ 10,454</u>
INCREASE/(DECREASE) IN WORKING CAPITAL		
Stock and Work in Progress	510	760
Debtors	2,989	(1,336)
Creditors	(1,319)	1,514
Movement in Net Liquid Funds:		
Bank Accounts	(18,335)	9,442
Cash in Hand	425	74
	<u>£ (15,730)</u>	<u>£ 10,454</u>

- | | |
|-----------------------|----------|
| Freehold Buildings | 40 years |
| Rolling Stock | 10 years |
| Plant and Equipment | 5 years |
| Fixtures and Fittings | 5 years |

c. Stock is valued at the lower of Cost and Net Realisable Value after making due allowance for obsolete and slow-moving items.

The turnover and profit before taxation is attributable to the Company's principal activity, namely, the operation of the train between Henllan and Llandyfriog and the running of the gift shop at Henllan Station.

	31.03.97	31.03.96
	<u>£</u>	<u>£</u>
Amounts written off Tangible Assets	(1,038)	1,106
Auditors Remuneration	1,500	1,625
Staff Costs (Note 4)	7,474	4,130
Loan Interest	-	200

	31.03.97	31.03.96
	<u>£</u>	<u>£</u>
Staff Wages, Travelling & Training	7,474	4,130

Operating Staff	2
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The Company has no liability to Corporation Tax for the Year.

6. FIXED ASSETS

Tangible Assets

	<u>Plant and Equipment</u> £	<u>Rolling Stock</u> £	<u>Property</u> £	<u>TOTAL</u> £
<u>COST</u>				
At 31.03.96	22,348	38,305	373,000	433,653
Additions in Year	-	-	900	900
At 31.03.97	<u>22,348</u>	<u>38,305</u>	<u>373,900</u>	<u>434,553</u>
<u>DEPRECIATION</u>				
At 31.03.96	17,708	36,622	86,663	140,993
Charge for Year	1,804	1,683	9,348	12,835
At 31.03.97	<u>19,512</u>	<u>38,305</u>	<u>96,011</u>	<u>153,828</u>
<u>NET BOOK VALUE</u>				
At 31.03.97	<u>2,836</u>	-	<u>277,889</u>	<u>280,725</u>
At 31.03.96	<u>4,640</u>	<u>1,683</u>	<u>286,337</u>	<u>292,660</u>

7. STOCKS

	31.03.97 £	31.03.96 £
Closing Stock	<u>5,713</u>	<u>5,203</u>

8. DEBTORS

	31.03.97 £	31.03.96 £
--	---------------	---------------

Amounts due within one year

Trade Debtors	1,520	1,520
Sundry Debtors	1,143	144
VAT Debtor	1,990	-
	<u>4,653</u>	<u>1,664</u>

9. CREDITORS

31.03.97

31.03.96

££

Amounts due within one year

Bank Acc - Current

27,436

8,877

Cash Account

-

43

Trade Creditors

13,706

14,046

41,14222,966

Amounts due after more than one year

4% Unsecured Bearer Bonds

85

85

Int. Free Loan from Shareholders

6,530

4,525

Advances from Members

927

927

Loan from Member

-

345

7,5425,88210. SHARE CAPITAL

31.03.97

31.03.96

££

Authorised

100,000100,000

Allotted, Issued and Fully Paid

51,40051,40011. RESERVESOther
Reserves
£Profit &
Loss A/c
£

At 31.03.96

233,946

(6,432)

Transfers to/from Profit & Loss

(13,873)

....

Additional Grants

500

Retained Loss for the Year

(14,292)

At 31.03.97

220,573(20,724)

OTHER RESERVES: at 31.03.97

General Reserves

12,076

Other Reserves:

MSC Capital Grants

287,932

Mid Wales Dev.

19,106

Local Auth. Grants

12,029

Dev. Board Rural Wales

20,136

Country L. Assoc

410

Wales Tourist Board

3,000

Local Auth & Stat. Undertakers

1,701

West Wales - TEC

2,500

346,814

Release to Profit & Loss

138,317

208,497

£ 220,573

12. CONTINGENCIES

There are no contingent liabilities.

13. OTHER FINANCIAL COMMITMENTS

There are no other financial commitments.

14. POST BALANCE SHEET EVENTS

There are no post Balance Sheet events.