

REGISTERED NUMBER: 02071143 (England and Wales)

**Strategic Report,
Report of the Directors and
Financial Statements
for the Year Ended 31 December 2022
for
Peak Rail Plc**

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Peak Rail Plc (Registered number: 02071143)

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for the Year Ended 31 December 2022**

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Peak Rail Plc

**Company Information
for the Year Ended 31 December 2022**

DIRECTORS:

G Bennett
R A Raynor
J M Bennett
G L Caro
A W Civil
R M Hallatt
M E Sealey

SECRETARY:

Mrs H I Evans

REGISTERED OFFICE:

Matlock Station
Matlock
Derbyshire
DE4 3NA

REGISTERED NUMBER:

02071143 (England and Wales)

AUDITORS:

Mabe Allen LLP
Chartered Accountants
Statutory Auditors
50 Osmaston Road
Derby
DE1 2HU

BANKERS:

Cooperative Bank
1 Balloon Street
Manchester
M60 4EP

Peak Rail Plc

Strategic Report for the Year Ended 31 December 2022

The Directors present their strategic report for the year ended 31st December 2022.

REVIEW OF BUSINESS

2022 was a tough year for Peak Rail in many ways. Jackie Statham, who was the company's managing director, died in February at around the same time as Mark Sealey was appointed as the new General Manager. As a consequence it was not possible to make an orderly handover, but many people came together to help and the railway has been able to progress as a result.

In the spring, Paul Tomlinson and Martin Gadsby resigned as directors, and subsequently Claire Statham, who was the company's administrator in the office, and Karen Newton, who was the catering manager, also resigned. The directors wish to thank them for all of their work over the years.

The accounts show improved turnover in 2022 despite the disruption. Trading for the year was much better than might have been expected and culminated in a very successful Santa Special season which made record takings. Unfortunately costs also rose in the year, not least because of the need to employ a General Manager and the huge increases in the costs of coal, diesel and oil. Unfortunately these factors and the lack of any grant income in the year mean that Peak Rail shows a loss for 2022.

PRINCIPAL RISKS AND UNCERTAINTIES

Peak Rail is reliant on tourism as a major source of its income, and as such faces similar risks to other tourist attractions. The current high rate of inflation, higher food prices and increases in mortgage rates have affected the economy and mean that consumers have less disposable income to spend on leisure activities. Covid is also likely to remain a threat for a considerable time, and there is a risk from new and serious variants. Peak Rail is dependent in the overall confidence of its visitors and volunteers for the continued running of the railway.

The railway is reliant on volunteers as well as staff for the safe and efficient running of all aspects. Whilst recruitment and retention of volunteers is increasingly difficult for many organisations, not least for the reasons above and their increasing age profile, Peak Rail now seems to be much better at attracting and retaining younger volunteers in particular than in the past.

As a heritage railway Peak Rail operates older locomotives which are reliant on fossil fuels. It has been subject to volatility in coal and diesel prices in both 2022 and 2023. There is increasing awareness of the environmental impact of and sensitivity surrounding the use of such fuels, and it is possible that public attitudes towards heritage railways will become more negative over time.

Severe weather events and climate change are increasing risks. The railway has been affected by severe flooding in the past, but prolonged and/or excessive heat is as much a threat. Severe weather conditions discourage visitors and can cause operating problems or even damage the infrastructure.

The company, along with its supporting groups, makes every effort to minimise the risks which are within its direct control.

Peak Rail Plc

Strategic Report for the Year Ended 31 December 2022

FUTURE PROSPECTS

Peak Rail's current trading position looks brighter than in 2022. As a result of marketing efforts late in 2022 and in 2023, cash flow over the first part of 2023 is significantly higher than in the same period last year. The indications are that, despite the economy, there is still a demand for experiences: the railway's special events have all been profitable, the afternoon teas are selling to the extent that they are fully booked well in advance, and bookings for the Santa Specials are also open and selling well.

In recognition of its regulatory burden Peak Rail has appointed advisers to assist with compliance, particularly in the field of health and safety. This is in addition to employment of specialists where Peak Rail does not have the necessary skills or certifications.

The Directors have already alluded to the increased costs of coal and oil; they do not expect prices to drop significantly in the short term. The railway also faces a large increase in electricity costs when the fixed rate expires. That said, the General Manager negotiated two years' free running of the Ecclesbourne Valley Railway's steam locomotive Catherine in return for some work on it, which will help to mitigate some of the fuel costs. At the time of writing Catherine, which is at Peak Rail, is due to complete its final trials and should be running service trains very shortly.

The Directors are striving to keep control of overheads. It has proved necessary to increase prices but they continue to work hard to provide excellent experiences and value for money to visitors.

Peak Rail has submitted all the documentation required by the council to be able to sign the new lease, and is waiting for the council and its solicitors to conclude the matter. The council has intimated that this could take another six months. The lease is for a 99-year term.

Last year's report mentioned the difficulties surrounding Matlock Station. A business case has been made to convert the shop into a café, and it may prove possible to obtain a lease on the Station Master's house. The railway has a strong possibility of a grant to cover refurbishment of the Matlock shop in order to repair its roof and convert it. A lease on Darley Dale down building is under consideration; it needs a lot of work but it is also very likely to attract grant funding because it is a heritage structure.

Peak Rail is working to forge closer relationships with both the Peak Railway Association (PRA) and the Derwent & Wye Valley Railway Trust (DWVRT). Mark Sealey is a director of both Peak Rail and the DWVRT, whilst Roger Hallatt and Gordon Caro remain directors of the PRA and Peak Rail.

The Directors have begun to consider whether public limited company (plc) status is still appropriate for Peak Rail. To this end it is in the early stages of researching whether Community Interest Company (CIC) status would be more suitable; this status did not exist when Peak Rail was formed. It would reduce the regulatory requirements of being a plc - small plcs like Peak Rail are saddled with almost the same regulations as FTSE 100 companies - and would help to reduce costs further, but more significantly it will enable the company to apply for grant funding from sources unavailable to it as a plc. Whilst CIC status would allow the Company to keep its shareholders, the Directors acknowledge that shareholders alone are unlikely to provide the funds necessary for significant advancement of the line and that it will be difficult to attract major new shareholders regardless of company status, therefore conversion to a CIC may be the best route to accessing larger pots of money.

Peak Rail Plc

Strategic Report for the Year Ended 31 December 2022

KEY PERFORMANCE INDICATORS

The table below gives some insight to performance over recent years.

	2022	2021	2020	2019	2018
	£	£	£	£	£
Turnover	295,581	256,065	31,403	396,530	363,189
Other operating income	26,970	179,358	205,415	24,650	158,071
Gross profit	184,094	166,037	3,121	185,095	168,315
Net (loss)/profit	(125,758)	81,431	(120,937)	(87,493)	51,203

In order to ensure the ongoing financial well being of the company, key elements of our business are still carefully monitored:

Bank borrowing

Cash flow

Passenger numbers

On going costs in all sections of the business

The continuous analysis of these figures enables the company to make adjustments in its day to day performance where problems are identified and enables forward planning to ensure that any significant improvements necessary can be made and implemented.

PLEASE SEND IN YOUR PROXY FORM.

ON BEHALF OF THE BOARD:



.....
M E Sealey - Director

Date: 01/09/2023

Peak Rail Plc

Report of the Directors for the Year Ended 31 December 2022

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

The Directors are proud to report that Peak Rail won the "Team of the Year" award at the Heritage Railway Association Awards earlier this year. This is a new award which recognises outstanding contributions from groups of volunteers and/or staff at heritage railways and tramways in the UK. Peak Rail would not be where it is now without the huge efforts of volunteers and staff, past and present, and this award is fitting recognition.

At the beginning of 2023 Peak Rail was threatened with litigation over No 72. Both parties agreed to go to mediation. A total of £425,000 was claimed for damage and lost income. The owner was finally awarded £55,000 in compensation, plus Peak Rail was required to complete limited remedial work on the loco. The compensation has been paid, the work has been completed and agreed, and the loco should leave before too long.

Donations have been received and loans offered to help with the boiler overhaul costs for Peak Rail's locomotive Royal Pioneer. Completion will come at a considerable cost, and as part of the fund-raising the Directors are seeking sponsorship of the tubes and stays. As shareholders, this is your loco; the directors would appreciate anything you can give to help. All donations will be ring-fenced for the project. Completion of this work will save the company tens of thousands of pounds in steaming fees and will provide some security of locomotive power in the coming years.

The Directors would also like to save costs relating to the Annual Report and Financial Statements and the AGM. To this end they propose to send the notice of the AGM and the Financial Statements and other related paperwork electronically. This will entail changes to the Articles of Association to permit it and therefore a vote by the shareholders. The changes themselves are included within the agenda for the meeting, and there is further information and a form of acceptance on an information sheet included with this mailing. If you wish to receive the documents electronically the Directors also need your written permission, and a form is included for your use. Shareholders who are unable to receive electronic notices will continue to receive them by post.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of a Heritage Railway.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2022.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2022 to the date of this report.

G Bennett
R A Raynor
J M Bennett

Other changes in directors holding office are as follows:

M W Gadsby - resigned 21 September 2022
Mrs J T Statham - deceased 10 February 2022
P R Tomlinson - resigned 16 May 2022
G L Caro - appointed 25 February 2022
A W Civil - appointed 25 February 2022
R M Hallatt - appointed 25 February 2022
M E Sealey - appointed 25 February 2022

Peak Rail Plc

Report of the Directors for the Year Ended 31 December 2022

DIRECTORS INDEMNITIES

Directors and officers' insurance cover has been established for all of the Directors to provide appropriate cover for their reasonable actions on behalf of the Company. The indemnities, which constitute a qualifying third-party indemnity provision as defined by section 234 of the Companies Act 2006, were in force during the 2020 financial year and remain in force for all current and past Directors of the Company.

DISCLOSURE IN THE STRATEGIC REPORT

The company has chosen in accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors Report) Regulations 2013 to set out in the company's Strategic Report information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008. The review of the company and a discussion of the principle risks and uncertainties faced by the company has been included in the Strategic Report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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 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 accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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.

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

The auditors, Mabe Allen LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



.....
M E Sealey - Director

Date: 01/09/2023

Report of the Independent Auditors to the Members of Peak Rail Plc

Disclaimer of opinion

We have audited the financial statements of Peak Rail Plc (the 'company') for the year ended 31 December 2022 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, 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).

We do not express an opinion on the accompanying financial statements of the company. Because of the significance of the matter described in the Basis for disclaimer of opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for disclaimer of 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the 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.

The company's turnover of £295,581 is reported in the statement of comprehensive income for the year ended 31 December 2022. Appropriate accounting records were not available for a portion of the year, and we were unable to satisfy ourselves by alternative means as to the completeness of income.

In addition, cost of sales of £111,487 and administration expenses of £335,729 are reported in the statement of comprehensive income for the year ended 31 December 2022. Although management did seek to rectify the system deficiencies and correct errors, appropriate accounting records were not available for a portion of the year that would have enabled us to verify the figures for cost of sales and administrative expenses. We were also unable to satisfy ourselves by alternative means as to the accuracy of the cost of sales and administrative expenses.

We draw attention to note 3 which provides an explanation for the gap in the accounting records which arose from the loss of a key director, who passed away suddenly and unexpectedly during the year.

As a result of these matters, we were unable to determine whether any adjustments might have been found necessary in respect of the company's turnover, cost of sales and administrative expenditure as reported in the statement of comprehensive income, statement of change in equity and statement of cash flows.

Material uncertainty relating to going concern

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

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

We draw attention to note 3 to the financial statements which indicates that the challenges posed by the cost of living crisis and economic uncertainty in the UK mean that the Company's ability to continue as a going concern in a severe but plausible downside scenario are dependent on cash injections from the issue of further shares and/or the extension of further bank facilities. These events and conditions, along with the other matters explained in note 3, constitute a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Report of the Independent Auditors to the Members of Peak Rail Plc

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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 this gives rise to a material misstatement in the financial statements themselves. 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.

As described in the basis for disclaimer of opinion section of our report, we were unable to satisfy ourselves concerning the turnover of £295,581, cost of sales of £111,487 and administration expenses of £335,729 for the year ended 31 December 2022. We have concluded that where the other information refers to these balances or related balances, it may be materially misstated for the same reason.

Opinions on other matters prescribed by the Companies Act 2006

As described in the basis for disclaimer of opinion section of our report, we were unable to satisfy ourselves concerning the turnover of £295,581, cost of sales of £111,487 and administration expenses of £335,729 for the year ended 31 December 2022.

Arising from this limitation on the scope of our work referred to above:

- we have not been able to determine whether the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Except for the possible effects of the matter described in the basis for disclaimer of opinion section of our report, in our opinion, based on the work undertaken in the course of the audit:

- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

Except for the matter described in the basis for disclaimer of opinion section of our report, in the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

Arising from the limitation on the scope of our work relating to turnover and expenditure referred to above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records have been kept.

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:

- 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.

Report of the Independent Auditors to the Members of Peak Rail Plc

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page six, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine 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.

Report of the Independent Auditors to the Members of Peak Rail Plc

Auditors' responsibilities for the audit of the financial statements

Our responsibility is to conduct an audit of the Company's financial statements in accordance with International Standards on Auditing (UK) and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Extent to which the audit was considered capable of detecting fraud

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- The nature of the industry and sector, control environment and business performance including targets for income and net profit;
- Results of our enquiries of management and the directors about their own identification and assessment of the risks of irregularities;
- Any matters we identified having obtained and reviewed the company's documentation of their policies and procedures relating to:
- Identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance, including any related to the General Data Protection Regulations or Bribery Act 2010.
- Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
- The internal controls to mitigate risks of fraud or non-compliance with laws and regulations;
- The matters discussed among the audit engagement team and including relevant internal tax specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the company for fraud and identified the greatest potential for fraud in the ability of management to manipulate revenue recognition. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Company Act 2006 and the Financial Reporting Standard 102.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These include The General Data Protection Regulations, the Bribery Act 2010 and Health and Safety policies.

Audit response to risks identified

Our procedures to respond to risks identified above include the following:

- Reviewing the financial statements disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements.
- Enquiring of management and directors concerning actual and potential litigation and claims;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Reading minutes to meetings of those charged with governance and reviewing relevant correspondence from regulatory bodies;

Report of the Independent Auditors to the Members of Peak Rail Plc

- In addressing the fraud risk in revenue recognition at an analytical review level, we developed an expectation of the revenue with reference to our experience of the client and discussions on the recognition and volatility of revenue in the year; and
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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 or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, 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. This description forms part of our Report of the Auditors.

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 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.



Kevin Slack FCA (Senior Statutory Auditor)
for and on behalf of Mabe Allen LLP
Chartered Accountants
Statutory Auditors
50 Osmaston Road
Derby
DE1 2HU

Date: 5/9/2023

Peak Rail Plc**Statement of Comprehensive Income
for the Year Ended 31 December 2022**

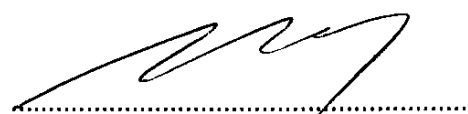
	Notes	2022 £	2021 £
TURNOVER	4	295,581	256,065
Cost of sales		111,487	90,028
GROSS PROFIT		184,094	166,037
Administrative expenses		335,729	263,389
		(151,635)	(97,352)
Other operating income	5	26,970	179,358
OPERATING (LOSS)/PROFIT	8	(124,665)	82,006
Interest payable and similar expenses	11	1,093	575
(LOSS)/PROFIT BEFORE TAXATION		(125,758)	81,431
Tax on (loss)/profit	12	-	-
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		(125,758)	81,431
OTHER COMPREHENSIVE INCOME			
Uplift in valuation of freehold property		69,563	-
Income tax relating to other comprehensive income		-	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		69,563	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(56,195)	81,431

The notes form part of these financial statements

Peak Rail Plc (Registered number: 02071143)**Balance Sheet
31 December 2022**

	Notes	2022 £	2021 £
FIXED ASSETS			
Tangible assets	13	1,072,707	1,034,540
CURRENT ASSETS			
Stocks	14	10,641	7,770
Debtors	15	38,868	17,538
Cash at bank and in hand		40,084	66,764
		89,593	92,072
CREDITORS			
Amounts falling due within one year	16	208,394	110,445
NET CURRENT LIABILITIES		(118,801)	(18,373)
TOTAL ASSETS LESS CURRENT LIABILITIES		953,906	1,016,167
CREDITORS			
Amounts falling due after more than one year	17	72,491	85,905
NET ASSETS		881,415	930,262
CAPITAL AND RESERVES			
Called up share capital	21	837,720	830,372
Revaluation reserve	22	156,770	87,207
Retained earnings	22	(113,075)	12,683
SHAREHOLDERS' FUNDS		881,415	930,262

The financial statements were approved by the Board of Directors and authorised for issue on ...~~31.12.2022~~... and were signed on its behalf by:



M E Sealey - Director

The notes form part of these financial statements

Peak Rail Plc

**Statement of Changes in Equity
for the Year Ended 31 December 2022**

	Called up share capital £	Retained earnings £	Revaluation reserve £	Total equity £
Balance at 1 January 2021	824,385	(68,748)	87,207	842,844
Changes in equity				
Issue of share capital	5,987	-	-	5,987
Total comprehensive income	-	81,431	-	81,431
Balance at 31 December 2021	830,372	12,683	87,207	930,262
Changes in equity				
Issue of share capital	7,348	-	-	7,348
Total comprehensive income	-	(125,758)	69,563	(56,195)
Balance at 31 December 2022	837,720	(113,075)	156,770	881,415

The notes form part of these financial statements

Peak Rail Plc

**Cash Flow Statement
for the Year Ended 31 December 2022**

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	1	(35,995)	81,895
Interest paid		(1,093)	(575)
Net cash from operating activities		<u>(37,088)</u>	<u>81,320</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		-	(1,371)
Net cash from investing activities		<u>-</u>	<u>(1,371)</u>
Cash flows from financing activities			
Loan repayments in year		(5,118)	(2,530)
Amount introduced by directors		-	13,081
Amount withdrawn by directors		-	(13,000)
Share issue		7,348	5,987
Government grant income		8,178	8,178
Net cash from financing activities		<u>10,408</u>	<u>11,716</u>
(Decrease)/increase in cash and cash equivalents		<u>(26,680)</u>	<u>91,665</u>
Cash and cash equivalents at beginning of year	2	66,764	(24,901)
Cash and cash equivalents at end of year	2	<u>40,084</u>	<u>66,764</u>

The notes form part of these financial statements

Peak Rail Plc

**Notes to the Cash Flow Statement
for the Year Ended 31 December 2022**

1. RECONCILIATION OF (LOSS)/PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2022	2021
	£	£
(Loss)/profit before taxation	(125,758)	81,431
Depreciation charges	31,396	31,802
(Decrease)/increase payments on account	-	(12,221)
Government grants	(8,178)	(8,178)
Finance costs	1,093	575
	<u>(101,447)</u>	<u>93,409</u>
(Increase)/decrease in stocks	(2,871)	9,519
(Increase)/decrease in trade and other debtors	(21,330)	6,475
Increase/(decrease) in trade and other creditors	89,653	(27,508)
	<u>(35,995)</u>	<u>81,895</u>
Cash generated from operations	<u>(35,995)</u>	<u>81,895</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 December 2022

	31.12.22	1.1.22
	£	£
Cash and cash equivalents	<u>40,084</u>	<u>66,764</u>

Year ended 31 December 2021

	31.12.21	1.1.21
	£	£
Cash and cash equivalents	66,764	540
Bank overdrafts	-	(25,441)
	<u>66,764</u>	<u>(24,901)</u>

3. ANALYSIS OF CHANGES IN NET FUNDS/(DEBT)

	At 1.1.22	Cash flow	At 31.12.22
	£	£	£
Net cash			
Cash at bank and in hand	66,764	(26,680)	40,084
	<u>66,764</u>	<u>(26,680)</u>	<u>40,084</u>
Debt			
Debts falling due within 1 year	(5,118)	(118)	(5,236)
Debts falling due after 1 year	(42,352)	5,236	(37,116)
	<u>(47,470)</u>	<u>5,118</u>	<u>(42,352)</u>
Total	<u>19,294</u>	<u>(21,562)</u>	<u>(2,268)</u>

The notes form part of these financial statements

Peak Rail Plc

Notes to the Financial Statements for the Year Ended 31 December 2022

1. STATUTORY INFORMATION

Peak Rail Plc is a public company, limited by shares, registered in England and Wales. The company's registered number and registered office can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006.

3. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

Going Concern

The Company made a loss for the year of £125,758 (2021: profit £81,431) and notwithstanding the net current liabilities at 31 December 2022 of £118,801 (2021: £18,373) the directors have prepared the financial statements on the going concern basis which assumes that the company will continue to trade for the foreseeable future. The validity of the assumption is based on the directors' assessment of future cash forecasts and revenue projections and for the reasons set out below.

Cost of living crisis and economic uncertainty in the UK

As at the date of approving these financial statements, the impact of the cost-of-living crisis on the Company's trading is continually being assessed and subject to change. The current economic climate in the UK has placed strain on the company's cash flow and the finances of the general public which going forward could potentially limit their ability to spend on leisure activities. Our 'base case' assumption is that the attraction remains open into the future.

The Directors have prepared detailed cash flow forecasts for the period to the end of September 2024 and anticipate conditions will continue to improve significantly up to that date. The directors believe that from the date of approval of these financial statements under the forecasted scenario, the company will have sufficient funds to meet its liabilities as they fall due for the following twelve months. Under this scenario there would be no breach of lending facilities. There are no material capital repayments of debt falling due within the forecast period.

During this period the business is currently taking appropriate measures to preserve liquidity.

The following mitigating actions have been built into the base case scenario;

All capital expenditure will be delayed or rephased where necessary. While the company's future plans include significant capital expenditure, the expenditure is not currently contracted and can therefore be delayed, which helps to preserve cash.

The directors have considered all variable expenditure, reducing it where possible and have been able to delay and/or cancel expenditure in several areas.

Downside Scenario

It is currently very difficult to determine the full impact on the business resulting from the current cost of living crisis for the general public, and any subsequent down-turn in the UK economy. The Directors believe the planned for scenario is reasonable, which assumes a continued phased level of recovery of the heritage railway. However, it is possible that the recovery profile is slower than in the base case.

Peak Rail Plc

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2022**

3. ACCOUNTING POLICIES - continued

In this situation, without any new sources of funds, the company's currently available liquidity could be exhausted.

Were the company to require access to further liquidity this could be sought through cash injections from the issue of shares and/or an extension of further lending facilities. Given the company's history of cash generation we would expect to be able to raise such funds as were necessary, however there is no guarantee that such funds will be available.

The Directors are also exploring the possibility of converting the public limited company into a Community Interest Company (CIC) with a view to attracting additional grant funding and eliminating the level of regulatory burden.

The Directors believe that it remains appropriate to prepare the financial statements on a going concern basis. However, these circumstances represent a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern and, therefore, to continue realising its assets and discharging its liabilities in the normal course of business. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

Business disruption in the current year

The managing director passed away suddenly and unexpectedly during the year. Existing staff were not equipped with the relevant knowledge to immediately take over the role which led to disruption and deficiencies in the accurate recording of income and expenditure in the accounting records.

The remaining directors sought to assess the impact and potential risks arising from the failure to keep proper accounting records during the period of change, whilst taking appropriate mitigating measure to ensure a replacement was put in place to address the challenges faced by the sudden loss of the key director.

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2022**

3. ACCOUNTING POLICIES - continued

Significant judgements and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant Judgements

The judgements (apart from those involving estimations) that management had made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

- Determination of whether there are indicators of impairment of the company's tangible fixed assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.
- Determination of recoverability of trade debtors. A specific provision is made against certain debts where in the opinion of the Directors the debt is not fully recoverable.
- Revaluation of freehold property. The company carries its freehold property at fair value with changes in fair value being recognised in the statement of comprehensive income. The current valuation used the most recent valuation report prepared by independent valuation specialists to determine fair value at 31 December 2022. The valuer used a valuation technique which expressed an opinion on the property market value as defined by RICS Valuation - Global Standards 22: UK National Supplement (The Red Book).

Key Sources of Estimation Uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year as follows:

- Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Cost of living crisis and economic uncertainty in the UK

The impact following the cost of living crisis will continue to cause disruption to and create uncertainty around the business, not least with regard to its working capital and the ability of its customers to pay now and into the future, and whether it needs to impair its assets. Any further disruption or uncertainty could have an adverse effect on the business, financial results and operations.

The full impact of the economic uncertainty in the United Kingdom is still to be determined and the directors continue to assess and monitor the potential risks and impacts on Peak Rail PLC's customers and major stakeholders, whilst taking appropriate mitigation measure to address challenges including logistics, staff and supply.

Peak Rail Plc

Notes to the Financial Statements - continued for the Year Ended 31 December 2022

3. ACCOUNTING POLICIES - continued

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Revenue from the sale of goods is recognised when the sufficient risks and rewards of ownership of the goods have transferred to the buyer, usually on despatch of the goods, the amount of revenue can be measured reliably, it is probable that the associated economic benefits will flow to the entity, and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

When the outcome of a transaction involving the rendering of services can be reliably estimated, revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period.

When the outcome of a transaction involving the rendering of services cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

Services supplied may include those associated with the preservation, operation, restoration, maintenance and protection of locomotives, rolling stock, railway track and equipment.

Turnover comprises rent, fares, shop sales and buffet and restaurant sales. Rental income is recognised in accordance with the terms of the agreements in place. Ticket sales for fares are recognised in the period to which they relate. Shop, buffet and restaurant sales are recognised as they occur.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Railway line	- 2% on cost
Leasehold property	- 4% on reducing balance
Plant and machinery	- 25% on cost
Fixtures and fittings	- 25% on cost
Rolling stock	- 10% on cost

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Government grants

Government grants are recognised at fair value as other income in the income statement when there is reasonable assurance that the conditions associated with the grant have been complied with and the grants will be received. Grants compensating for expenses incurred are recognised in the income statement on a systematic basis in the same period in which the expenses are incurred.

Government grants relating to property, plant and equipment are treated as deferred income and released to the profit and loss over the expected useful lives of the assets concerned.

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2022**

3. ACCOUNTING POLICIES - continued

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Financial instruments

A financial asset or financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in the profit and loss immediately.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Exceptional items

Exceptional items are disclosed separately in the financial statements in order to provide further understanding of the financial performance of the entity. They are material items of income or expense that have been shown separately because of their nature or amount.

Peak Rail Plc

Notes to the Financial Statements - continued for the Year Ended 31 December 2022

3. ACCOUNTING POLICIES - continued

Other operating income

Other operating income comprises grant income, donations, legacies and sundry income which are accounted for on a received/receivable basis.

Capitalisation of labour

Labour costs incurred that are directly attributable to bringing assets into working condition are capitalised.

4. TURNOVER

The turnover and loss (2021 - profit) before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business is given below:

	2022	2021
	£	£
Sale of goods	35,707	38,860
Rendering of services	259,874	217,205
	<u>295,581</u>	<u>256,065</u>

An analysis of turnover by geographical market is given below:

	2022	2021
	£	£
United Kingdom	295,581	256,065
	<u>295,581</u>	<u>256,065</u>

5. OTHER OPERATING INCOME

	2022	2021
	£	£
Rents received	7,334	11,050
Donations received	5,229	1,744
Sundry income	6,229	6,878
JRS Grant Income	-	13,008
Grant Income	-	138,500
Government grants	8,178	8,178
	<u>26,970</u>	<u>179,358</u>

6. EMPLOYEES AND DIRECTORS

	2022	2021
	£	£
Wages and salaries	96,693	75,666
Other pension costs	1,933	1,507
	<u>98,626</u>	<u>77,173</u>

Peak Rail Plc**Notes to the Financial Statements - continued
for the Year Ended 31 December 2022****6. EMPLOYEES AND DIRECTORS - continued**

The average number of employees during the year was as follows:

	2022	2021
Administrative staff	1	1
Shop/buffet staff	2	2
Carriage maintenance staff	1	1
Directors	1	-
	<u>5</u>	<u>4</u>

7. DIRECTORS' EMOLUMENTS

	2022	2021
	£	£
Directors' remuneration	27,611	-
Directors' pension contributions to money purchase schemes	656	-
	<u>28,267</u>	<u>-</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>1</u>	<u>-</u>
------------------------	----------	----------

8. OPERATING (LOSS)/PROFIT

The operating loss (2021 - operating profit) is stated after charging:

	2022	2021
	£	£
Depreciation - owned assets	31,396	31,803
Cost of stocks recognised as an expense	33,736	26,646
	<u>65,132</u>	<u>58,449</u>

9. AUDITORS' REMUNERATION

	2022	2021
	£	£
Fees payable to the company's auditors and their associates for the audit of the company's financial statements	<u>6,675</u>	<u>6,825</u>

10. EXCEPTIONAL ITEMS

Exceptional item relates to a settlement agreement reached with JMB Locomotive Services concerning an alleged breach of contract.

An agreement was reached on 17 February 2023 for Peak Rail PLC to pay the sum of £55,000, by instalments to JMB Locomotive Services.

The original claim against Peak Rail PLC was brought about in early 2020 and as such, the full amount has been provided for in the financial statements under Accruals.

Peak Rail Plc**Notes to the Financial Statements - continued
for the Year Ended 31 December 2022****11. INTEREST PAYABLE AND SIMILAR EXPENSES**

	2022	2021
	£	£
Bank loan interest	<u>1,093</u>	<u>575</u>

12. TAXATION**Analysis of the tax charge**

No liability to UK corporation tax arose for the year ended 31 December 2022 nor for the year ended 31 December 2021.

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2022	2021
	£	£
(Loss)/profit before tax	<u>(125,758)</u>	<u>81,431</u>
(Loss)/profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	(23,894)	15,472
Effects of:		
Expenses not deductible for tax purposes	8	21
Depreciation in excess of capital allowances	4,954	4,548
Utilisation of tax losses	-	(20,041)
Unused losses carried forward	<u>18,932</u>	<u>-</u>
Total tax charge	<u>-</u>	<u>-</u>

Tax effects relating to effects of other comprehensive income

	Gross	2022	Net
	£	Tax	£
	£	£	£
Uplift in valuation of freehold property	<u>69,563</u>	<u>-</u>	<u>69,563</u>

The company has an unrecognised deferred tax asset at 19% (2021:19%) of £242,878 (2021:£223,946) which relates to unutilised losses of £1,278,308 (2021:£1,178,664). The potential asset has not been recognised as, of yet, it is not considered sufficiently certain to be released.

An increase in the UK corporation tax rate from 19% to 25% for companies with profits over £250,000 has been substantively enacted and was effective from 1 April 2023. However, the rate applied to deferred tax remains at 19% as profits of Peak Rail PLC are expected to be within the small profits band, under £50,000.

Peak Rail Plc

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2022**

13. TANGIBLE FIXED ASSETS

	Freehold land £	Railway line £	Leasehold property £
COST OR VALUATION			
At 1 January 2022	145,437	1,155,469	496,052
Revaluations	69,563	-	-
At 31 December 2022	215,000	1,155,469	496,052
DEPRECIATION			
At 1 January 2022	-	427,267	338,636
Charge for year	-	23,109	6,410
At 31 December 2022	-	450,376	345,046
NET BOOK VALUE			
At 31 December 2022	215,000	705,093	151,006
At 31 December 2021	145,437	728,202	157,416

	Plant and machinery £	Fixtures and fittings £	Rolling stock £	Totals £
COST OR VALUATION				
At 1 January 2022	69,031	68,359	114,512	2,048,860
Revaluations	-	-	-	69,563
At 31 December 2022	69,031	68,359	114,512	2,118,423
DEPRECIATION				
At 1 January 2022	67,713	66,192	114,512	1,014,320
Charge for year	557	1,320	-	31,396
At 31 December 2022	68,270	67,512	114,512	1,045,716
NET BOOK VALUE				
At 31 December 2022	761	847	-	1,072,707
At 31 December 2021	1,318	2,167	-	1,034,540

Cost or valuation at 31 December 2022 is represented by:

	Freehold land £	Railway line £	Leasehold property £
Valuation in 2011	79,475	-	-
Valuation in 2022	69,563	-	-
Cost	65,962	1,155,469	496,052
	215,000	1,155,469	496,052

Peak Rail Plc**Notes to the Financial Statements - continued
for the Year Ended 31 December 2022****13. TANGIBLE FIXED ASSETS - continued**

	Plant and machinery £	Fixtures and fittings £	Rolling stock £	Totals £
Valuation in 2011	-	-	-	79,475
Valuation in 2022	-	-	-	69,563
Cost	69,031	68,359	114,512	1,969,385
	<u>69,031</u>	<u>68,359</u>	<u>114,512</u>	<u>2,118,423</u>

If Freehold land had not been revalued it would have been included at the following historical cost:

	2022 £	2021 £
Cost	<u>10,525</u>	<u>10,525</u>

Freehold land was valued on an open market basis on 10 January 2023 by Fidler Taylor.

14. STOCKS

	2022 £	2021 £
Goods for resale	3,614	5,615
Spare parts & materials	7,027	2,155
	<u>10,641</u>	<u>7,770</u>

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade debtors	1,088	304
Other debtors	148	148
VAT	9,052	2,340
Prepayments	28,580	14,746
	<u>38,868</u>	<u>17,538</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Bank loans and overdrafts (see note 18)	5,236	5,118
Payments on account	9,903	9,903
Trade creditors	82,010	41,316
Social security and other taxes	1,412	1,018
Other Creditors	343	343
Share application monies	911	1,107
Accruals	100,401	43,462
Deferred government grants	8,178	8,178
	<u>208,394</u>	<u>110,445</u>

Peak Rail Plc**Notes to the Financial Statements - continued
for the Year Ended 31 December 2022****17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2022 £	2021 £
Bank loans (see note 18)	37,116	42,352
Directors' loan accounts	13,000	13,000
Deferred government grants	22,375	30,553
	<u>72,491</u>	<u>85,905</u>

18. LOANS

An analysis of the maturity of loans is given below:

	2022 £	2021 £
Amounts falling due within one year or on demand:		
Bank loans	<u>5,236</u>	<u>5,118</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>5,356</u>	<u>5,236</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>16,821</u>	<u>16,442</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans more 5 yr by instal	<u>14,939</u>	<u>20,674</u>

19. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2022 £	2021 £
Within one year	8,552	8,397
Between one and five years	34,208	34,208
In more than five years	801,750	806,026
	<u>844,510</u>	<u>848,631</u>

20. SECURED DEBTS

The bank overdraft is secured by a fixed and floating charge over the assets and land held by the company.

The Waterman Railway Heritage Trust holds a fixed and floating charge over the assets and land held by the company. No amounts are due to the Waterman Railway Heritage Trust at the year end.

Peak Rail Plc**Notes to the Financial Statements - continued
for the Year Ended 31 December 2022****21. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:		Nominal	2022	2021
Number:	Class:	value:	£	£
824,385	Ordinary	£1	<u>837,720</u>	<u>830,372</u>

22. RESERVES

	Retained earnings £	Revaluation reserve £	Totals £
At 1 January 2022	12,683	87,207	99,890
Deficit for the year	(125,758)		(125,758)
Freehold property valuation	-	69,563	69,563
At 31 December 2022	<u>(113,075)</u>	<u>156,770</u>	<u>43,695</u>

23. PENSION COMMITMENTS

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £1,933 (2021: £1,507).

24. CONTINGENCIES

The company has reached a settlement with JMB Locomotive Services over an alleged breach of contract.

A sum of £55,000 payable to JMB Locomotive Services has been agreed in settlement of the matter. Provision for this amount has been included within Accruals.

In addition, as part of the agreement Peak Rail will carry out repairs to a locomotive owned by JMB Locomotive Services. However, the exact cost of these is yet to be determined and as such, no provision has been made in the financial statements.

25. CAPITAL COMMITMENTS

At the year end the company had authorised capital expenditure of £nil (2021:£nil).

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2022**

26. GOVERNMENT GRANTS

The amount recognised in the financial statements for government grants are as follows:

	2022 £	2021 £
Recognised in creditors:		
Deferred government grants due within one year	8,178	8,178
Deferred government grants due after more than one year	22,375	30,553
	<u>30,553</u>	<u>63,265</u>
Recognised in other operating income:		
Government grants released and recognised directly in income	8,178	8,178
JRS Grant income	-	13,008
Other coronavirus government support grants	-	138,500
	<u>8,178</u>	<u>159,686</u>

27. RELATED PARTY DISCLOSURES

Entities with control, joint control or significant influence over the entity

	2022 £	2021 £
Purchases	4,204	6,282
Donations	938	-
Amount due to related party	-	1,500

Key management personnel of the entity or its parent (in the aggregate)

See note 7 for disclosure of the directors' remuneration.

Other related parties

	2022 £	2021 £
Sales	2,750	-
Purchases	33,668	29,290
Amount due to related parties	<u>18,806</u>	<u>8,181</u>

Mr P Tomlinson, a former Director, has previously made a 5 year, unsecured, interest free loan to the Company of £13,000 which is repayable in August 2025.

28. ULTIMATE CONTROLLING PARTY

The company is not considered to be under the control of any one individual.