

Company Number: 02679394

**The Settle-Carlisle Railway
Development Company Limited**
(a company limited by guarantee)

DIRECTORS' REPORT AND ACCOUNTS

for the year ended
30 June 1999



Baker Tilly Chartered Accountants
Carlton House, Grammar School Street, Bradford, BD1 4NS

Offices at: Birmingham, Bradford, Bromley, Chester, Crawley, Guildford, London, Manchester, Milton Keynes, Warrington, Watford, Yeovil.
Registered to carry on audit work and authorised to carry on investment business by the Institute of Chartered Accountants in England and Wales

An independent member of Summit International
Associates, Inc.

The Settle-Carlisle Railway Development Company Limited

(A company limited by guarantee)

DIRECTORS AND OFFICERS

DIRECTORS

P G Adams
E P R Cautley
E M Graham
P Simpson
G H Mounsey-Heysham
J E French
S Harrison
A K Morgan
P W Robinson
B R Sutcliffe

SECRETARY

T H Algie

COMPANY NUMBER

2679394 (England and Wales)

AUDITORS

Baker Tilly
Chartered Accountants
Carlton House
Grammar School Street
Bradford
BD1 4NS

The Settle-Carlisle Railway Development Company Limited

(A company limited by guarantee)

DIRECTORS' REPORT

The directors submit their report and the financial statements of the company for the year ended 30 June 1999.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company is to promote all and any nature of activity intended to provide or generate additional use of the railway line between Settle and Carlisle.

RESULTS AND DIVIDENDS

The operating surplus for the year is £8,773 (1998 £5,446) and this amount has been added to reserves. The memorandum of association does not provide for any distribution to members.

The company is currently engaged in various promotion projects that will continue throughout the forthcoming year. In addition the directors are actively investigating new opportunities to develop the activities of the company in accordance with its principal activity.

DIRECTORS

The directors who served during the year were:

P G Adams
E P R Cautley
E M Graham
P Simpson
G H Mounsey-Heysam
J E French
S Harrison
A K Morgan
I Stockdale (resigned 16 July 1999)
P W Robinson
B R Sutcliffe

GUARANTEE

The company was incorporated on 21 January 1992 as limited by guarantee and not having a share capital. The members of the company have undertaken each to contribute an amount not exceeding £100 towards any deficit arising in the event of the company being wound up. This guarantee applies during the membership and extends one year after membership ceases.

YEAR 2000 ISSUES

Many computer and digital storage systems express dates using only the last two digits of the year, and will thus require modification or replacement to accommodate the year 2000 and beyond. The operation of our business depends to some extent on our own computer systems, but also to some degree on those of our suppliers and customers. This could expose us to further risk in the event that there is failure by other parties to remedy their own year 2000 issues.

The company has assessed the risks to its business resulting from the change to the year 2000 but given the complexities of the problem, it is not possible for any organisation to guarantee that no year 2000 problems will remain, because at least some level of failure may still occur. However, the board believes that it has achieved an acceptable state of readiness.

The Settle-Carlisle Railway Development Company Limited

(A company limited by guarantee)

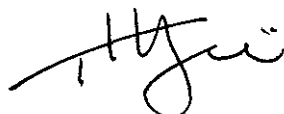
DIRECTORS' REPORT

AUDITORS

A resolution to reappoint Baker Tilly, Chartered Accountants, as auditors will be put to the members at the annual general meeting.

By Order of the Board

T Algie



Secretary

5th Nov 1999

The Settle-Carlisle Railway Development Company Limited

(A company limited by guarantee)

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

Company law requires directors to prepare financial statements for each financial period which 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 those financial statements, directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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 requirements of 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.

THE SETTLE-CARLISLE RAILWAY DEVELOPMENT COMPANY LIMITED
(A company limited by guarantee)

We have audited the financial statements on pages 6 to 11.

Respective responsibilities of directors and auditors

As described on page 4 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

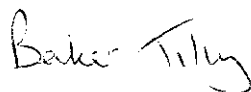
Basis of opinion

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 of 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 state of the company's affairs at 30 June 1999 and of the surplus for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



BAKER TILLY

Registered Auditor
Chartered Accountants
Carlton House
Grammar School Street
Bradford
BD1 4NS

15 November 1999

The Settle-Carlisle Railway Development Company Limited

(A company limited by guarantee)

INCOME AND EXPENDITURE ACCOUNT

for the year ended 30 June 1999

	1999	1998
	£	£
INCOME: Grants and donations		
European Community	125,031	124,305
21st Century Trains	25,615	-
Northern Spirit	22,805	11,295
Carlisle City Council	1,875	2,197
Eden District Council	2,500	2,250
Craven District Council	2,650	5,455
North Yorkshire County Council	9,288	8,222
Railtrack	1,625	5,000
Richmondshire District Council	500	375
Lancashire County Council	4,500	375
South Lakeland District Council	750	687
Cumbria County Council	5,000	500
Taylor Woodrow	8,000	-
Lancaster City Council	2,825	1,127
Friends of Settle Carlisle	1,000	26,205
Appleby Heritage Centre	-	6,250
Yorkshire Dales National Park	-	500
EPR Cautley	950	1,050
Regional Railways NE	-	31,750
Garsdale	-	(2,000)
Other	4,296	4,093
	219,210	229,636
EXPENDITURE		
Projects	126,313	170,674
21st Century Trains	24,968	-
Salaries	43,680	42,002
Rent and rates	3,196	1,145
Auditor's remuneration	1,400	1,850
Postage and telephone	3,560	2,121
Travel and entertainment	3,767	2,740
Stationery	768	1,383
Reference books	142	83
Printing and photography	100	1,547
Depreciation	800	618
Other expenditure	3,770	2,123
	(212,464)	(226,286)
OPERATING SURPLUS	6,746	3,350
Bank interest receivable	2,558	2,646
SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION (carried forward)	9,304	5,996

The Settle-Carlisle Railway Development Company Limited

(A company limited by guarantee)

INCOME AND EXPENDITURE ACCOUNT

for the year ended 30 June 1999

SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION (brought forward)	9,304	5,996
Taxation	531	550
SURPLUS ON ORDINARY ACTIVITIES AFTER TAXATION	<u>8,773</u>	<u>5,446</u>

The company has no recognised surpluses or deficits other than the surplus for the year stated above.

There is no difference between reported surplus and historical cost surplus.

The Settle-Carlisle Railway Development Company Limited

(A company limited by guarantee)

BALANCE SHEET

as at 30 June 1999

	Notes	1999 £	1998 £
FIXED ASSETS			
Tangible assets	4	2,228	1,962
CURRENT ASSETS			
Debtors	5	32,237	52,338
Cash at bank		63,682	67,696
Cash in hand		52	120
		95,971	120,154
CREDITORS: Amounts falling due within one year	6	(56,567)	(101,582)
NET CURRENT ASSETS		39,404	18,572
TOTAL ASSETS LESS CURRENT LIABILITIES		41,632	20,534
Deferred income		(27,400)	(15,075)
NET ASSETS		14,232	5,459
CAPITAL AND RESERVES			
Income and expenditure account	7	14,232	5,459

Approved by the Board of Directors on 5th November 1999

P Adams



Director

The Settle-Carlisle Railway Development Company Limited

(A company limited by guarantee)

ACCOUNTING POLICIES

for the year ended 30 June 1999

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention and in accordance with the applicable Accounting Standards.

GRANTS AND DONATIONS

Income comprises grants and donations, some of which are to support activities over specific periods and other are ad hoc with no associated terms and conditions covering unspecified period. Income relating to specific periods is recognised in that period. All other income, other than bank interest received, is accounted for on a receipt basis. Grants relating to specific projects are released to income and expenditure accounts over the period of expenditure. Grants not released at the balance sheet date are shown as deferred income

TANGIBLE FIXED ASSETS

Expenditure is accounted for on an accrual basis

Depreciation is calculated to write off the costs of fixed assets over their estimated useful lives as follows:

Fixtures and fitting: 20% per annum on a straight line basis with a full year's charge in the year of acquisition

The Settle-Carlisle Railway Development Company Limited

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 1999

1	SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION	1999	1998
		£	£
	The operating surplus is stated after charging:		
	Staff costs:		
	Wages and salaries	40,115	38,244
	Social security	3,565	3,758
	Depreciation	800	618
	Auditors' remuneration	1,400	1,850
		<u> </u>	<u> </u>

None of the directors received any emoluments for their services to the company during the year.

2	EMPLOYEES	1999	1998
		No	No
	The average number of persons employed during the year	3	3
		<u> </u>	<u> </u>

3	TAXATION	1999	1998
		£	£
	Provision for corporation tax at 21% on bank interest	531	550
		<u> </u>	<u> </u>

4	FIXED ASSETS	<i>Fixtures and fittings</i>
		£
	Cost	
	At 1 July 1998	6,409
	Additions	1,066
		<u> </u>
	At 30 June 1999	7,475
	Depreciation	
	At 1 July 1998	4,447
	Charge in the year	800
		<u> </u>
	At 30 June 1999	5,247
	Net book value	
	30 June 1999	2,228
		<u> </u>
	30 June 1998	1,962
		<u> </u>

The Settle-Carlisle Railway Development Company Limited

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 1999

5	DEBTORS	1999 £	1998 £
	Trade debtors	31,955	50,253
	Prepayments	282	2,085
		<hr/>	<hr/>
		32,237	52,338
		<hr/>	<hr/>
6	CREDITORS: Amounts falling due within one year	1999 £	1998 £
	Trade creditors	52,741	92,992
	Other creditors	502	512
	Taxation	1,087	556
	Accruals	2,237	7,522
		<hr/>	<hr/>
		56,567	101,582
		<hr/>	<hr/>
7	RESERVES	1999 £	1998 £
	At 1 July 1998	5,459	13
	Surplus for the year	8,773	5,446
		<hr/>	<hr/>
	At 30 June 1999	14,232	5,459
		<hr/>	<hr/>

8 CAPITAL COMMITMENTS

At 30 June 1999 there were no commitments in respect of capital expenditure or lease agreements.