

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

DIRECTORS' REPORT AND ACCOUNTS

for the year ended
30 June 2002



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

Offices at: Basingstoke, Birmingham, Bradford, Brighton, Bristol, Bromley, Chelmsford, Chester, Coventry, Crawley, Derby, Edinburgh, Glasgow, Grimsby, Guildford, Hereford, Hull, Ipswich, Leeds, Lervick, Liverpool, London, Manchester, Milton Keynes, Newcastle, Spalding, Tunbridge Wells, Warrington, Watford, Yeovil.
Registered to carry on audit work and regulated for a range of Investment Business activities by the Institute of Chartered Accountants in England and Wales

An independent member of Baker Tilly International

The Settle-Carlisle Railway Development Company Limited

(A company limited by guarantee)

DIRECTORS AND OFFICERS

DIRECTORS

P Simpson
S Harrison
B R Sutcliffe
P F Johnston

SECRETARY

P Johnston

COMPANY NUMBER

2679394 (England and Wales)

REGISTERED OFFICE

Town Hall
Market Place
Settle
BD24 9EJ

AUDITORS

Baker Tilly
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 Settle-Carlisle Railway Development Company Limited for the year ended 30 June 2002.

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 £3,730 (2001 £18,355) and this amount has been deducted from reserves. The memorandum of association does not provide for any distribution to members.

DIRECTORS

The directors who served during the year were:

P G Adams	(resigned 31 May 2002)
E M Graham	(resigned 25 June 2002)
P Simpson	
G H Mounsey-Heysham	(resigned 8 October 2002)
J E French	(resigned 24 January 2002)
S Harrison	
A K Morgan	(resigned 8 June 2002)
B R Sutcliffe	
P F Johnston	

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.

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


S Harrison

Director

18th January 2003

The Settle-Carlisle Railway Development Company Limited

(A company limited by guarantee)

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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 and of the profit or loss of the company for that period. In preparing those financial statements, the 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.

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 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE SETTLE-CARLISLE RAILWAY DEVELOPMENT COMPANY LIMITED

We have audited the financial statements on pages 5 to 10.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company and other members of the group is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

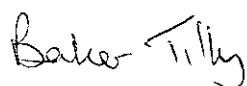
Basis of opinion

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 state of the company's affairs at 30 June 2002 and of its 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

20 January 2003

The Settle-Carlisle Railway Development Company Limited

(A company limited by guarantee)

INCOME AND EXPENDITURE ACCOUNT

for the year ended 30 June 2002

	Notes	2002 £	2001 £
INCOME: Grants and donations		213,045	274,175
EXPENDITURE			
Projects		113,950	100,336
Salaries		74,960	74,505
Rent and rates		3,113	3,745
Audit and Accountancy Fees		6,561	3,027
Postage and telephone		3,753	3,249
Travel and entertainment		2,023	2,592
Stationery		848	1,370
Reference books		60	80
Printing and photography		-	961
Depreciation		1,839	1,294
Bank charges		1,518	44
Grant repaid		-	64,319
Bad debt expense		-	200
Other expenditure		956	3,180
		<u>(209,581)</u>	<u>(258,932)</u>
OPERATING SURPLUS	1	3,464	15,243
Other interest receivable and similar income		288	3,456
SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>3,752</u>	<u>18,699</u>
Taxation	3	<u>(22)</u>	<u>(344)</u>
SURPLUS ON ORDINARY ACTIVITIES AFTER TAXATION	8	<u>3,730</u>	<u>18,355</u>

The surplus for the year arises for the company's continuing operations

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

The Settle-Carlisle Railway Development Company Limited

(A company limited by guarantee)

BALANCE SHEET

30 June 2002

	Notes	2002 £	2001 £
FIXED ASSETS			
Tangible assets	4	4,077	2,865
Investments	5	1	1
		<u>4,078</u>	<u>2,866</u>
CURRENT ASSETS			
Debtors	6	77,817	87,041
Cash at bank		-	11,566
Cash in hand		158	225
		<u>77,975</u>	<u>98,832</u>
CREDITORS: Amounts falling due within one year	7	(11,276)	(20,270)
NET CURRENT ASSETS		<u>66,699</u>	<u>78,562</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>70,777</u>	<u>81,428</u>
Deferred income		(10,694)	(25,075)
NET ASSETS		<u>60,083</u>	<u>56,353</u>
RESERVES			
Income and expenditure account	8	<u>60,083</u>	<u>56,353</u>

Approved by the Board of Directors on 18th. January 2003.


S Harrison Director

The Settle-Carlisle Railway Development Company Limited

(A company limited by guarantee)

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

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

TANGIBLE FIXED ASSETS

Fixed assets are stated at cost.

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

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

PENSIONS CONTRIBUTIONS

The company operates a defined contribution pension scheme. Contributions are charged in the profit and loss account as they are paid.

GRANTS AND DONATIONS

Income comprises grants and donations, some of which are to support activities over specific periods and others are ad hoc with no associated terms and conditions covering unspecified periods. 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.

GROUP ACTIVITIES

The accounts present information about the company as an individual undertaking, and not about its group, as the company has taken advantage of the exemption provided by section 248 of the Companies Act 1985 not to prepare group accounts.

The Settle-Carlisle Railway Development Company Limited

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2002

1	SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION	2002 £	2001 £
---	--	-----------	-----------

The operating surplus is stated after charging:

Staff costs:

Wages and salaries	67,220	66,750
Social security	4,809	4,824
Pension contributions	2,931	2,931
Depreciation	1,839	1,294
Auditors' remuneration	1,000	2,000

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

2	EMPLOYEES	2002 No	2001 No
---	-----------	------------	------------

The average number of persons employed during the year	7	7
--	---	---

3	TAXATION	2002 £	2001 £
---	----------	-----------	-----------

Corporation tax charge	22	344
------------------------	----	-----

Factors effecting the tax charge for the period:

The tax charge assessed for the period is lower than the standard rate of corporation tax in the UK.
The differences are explained below:

	2002 £	2001 £
Surplus on ordinary activities before tax	3,730	18,699
Add surplus not subject to taxation	(3,442)	(15,243)
Surplus subject to taxation	288	3,456

Profit on ordinary activities multiplied by the standard rate of corporation tax as adjusted for small companies marginal relief, in the UK of 7.5% (2001: 10%)

	22	344
Current tax charge for the period	22	344

The Settle-Carlisle Railway Development Company Limited

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2002

4	FIXED ASSETS	<i>Fixtures and fittings</i>
		£
	Cost	
	At 1 July 2001	10,729
	Additions	3,051
		<hr/>
	At 30 June 2002	13,780
		<hr/>
	Depreciation	
	At 1 July 2001	7,864
	Charge in the year	1,839
		<hr/>
	At 30 June 2002	9,703
		<hr/>
	Net book value	
	30 June 2002	4,077
		<hr/>
	30 June 2001	2,865
		<hr/>

5	INVESTMENTS	2002 £	2001 £
	Investment in subsidiary	1	1
		<hr/>	<hr/>

	<i>Country of registration</i>	<i>Percentage of share capital held</i>	<i>Class of share held</i>
Subsidiary			
Guidefuture Limited	England	100	Ordinary

The investment related to 100% of the issued share capital of Guidefuture Limited, a company registered in England and Wales. Guidefuture Limited was incorporated on 14 March 2001 and remains a dormant company.

The Settle-Carlisle Railway Development Company Limited

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2002

6	DEBTORS	2002 £	2001 £
	Trade debtors	439	86,540
	Accrued income	75,656	-
	Prepayments	1,286	158
	Taxation	56	343
	VAT debtor	380	-
		<u>77,817</u>	<u>87,041</u>
7	CREDITORS: Amounts falling due within one year	2002 £	2001 £
	Bank overdraft	464	-
	Trade creditors	1,403	13,552
	Other taxation and social security creditors	1,669	2,222
	Corporation tax	22	-
	Other creditors	1,216	-
	Accruals	6,502	4,496
		<u>11,276</u>	<u>20,270</u>
8	RESERVES	2002 £	2001 £
	Income and expenditure account		
	At 1 July 2001	56,353	37,998
	Surplus for the year	3,730	18,355
		<u>60,083</u>	<u>56,353</u>
	At 30 June 2002		

9 CAPITAL COMMITMENTS

At 30 June 2002 there were no commitments in respect of capital expenditure or lease agreements.

10 PENSION COMMITMENTS

The company operates a defined contribution pension scheme. The pension cost charge represents contributions by the company and amounted to £2,931 (2001 £2,931).