

Report of the Directors/Trustees and
Financial Statements for the Year Ended 31 December 2003
for
Cymdeithas Rheilffordd Eryri
(formerly Welsh Highland Railway Society)

Dunn and Ellis - Chartered Accountants
REGISTERED AUDITORS
7/9 High Street
Porthmadog
Gwynedd LL49 9LR



Cymdeithas Rheilffordd Eryri
(formerly Welsh Highland Railway Society)

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for the Year Ended 31 December 2003

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Cymdeithas Rheilffordd Eryri
(formerly Welsh Highland Railway Society)

Company Information
for the Year Ended 31 December 2003

DIRECTORS/TRUSTEES

D A Kent
J H Ewing
T C I McKenzie
D A Williams
E Jones
D H Thomas
N S Mc Master

SECRETARY:

T C I McKenzie

REGISTERED OFFICE:

Ffridd Isaf
Rhyd Ddu
Caernarfon
GWYNEDD
LL54 6TN

REGISTERED NUMBER:

3157171 (England and Wales)

AUDITORS:

Dunn and Ellis - Chartered Accountants
REGISTERED AUDITORS
7/9 High Street
Porthmadog
Gwynedd LL49 9LR

BANKERS:

Barclays Bank plc
Gwynedd & Ynys Mon Group
Caernarfon
Gwynedd

CHARITABLE STATUS:

The Company's Charity Commission number
is:- 1094938

Cymdeithas Rheilffordd Eryri
(formerly Welsh Highland Railway Society)

Report of the Directors/Trustees
for the Year Ended 31 December 2003

The directors/trustees present their report with the financial statements of the company for the year ended 31 December 2003.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the encouragement and promotion of public interest in the Caernarfon to Porthmadog railway and also fundraising directed at the reinstatement of the permanent way and stations.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

The company was incorporated on 8th February 1996 and took over the affairs of the Welsh Highland Railway Society. The performance of the company for the year is considered satisfactory.

The company is a company limited by guarantee of its members and not having a share capital. In the event of the company being wound up the members undertake to contribute to the costs of winding up a sum not exceeding £1.

DIRECTORS/TRUSTEES

The directors/trustees during the year under review were:

D A Kent
J H Ewing
T C I McKenzie
D A Williams
E Jones
D H Thomas
N S Mc Master

ISSUES FOR THE YEAR 2004

The Board has taken a decision that the Company shall make an annual contribution for the restoration of the Caernarfon to Porthmadog railway line. To this end, subscriptions (both annual and life membership) have already been increased, annual subscriptions by 25%, other tariffs pro-rata, to be effective 1st March, 2004. Other measures aimed at increasing income and membership are contained in a business plan, currently being prepared but at a draft stage.

CHARITY'S RESERVE POLICY

The accumulated fund of the Charity at the balance sheet date (the Charity's reserves) reflect, apart from stock and debtors in respect of Company souvenirs, the cash held at the Bank. This is held for the continuing support of the Charity's main aims, namely the reinstatement of the Caernarfon to Porthmadog railway line. The major part of this cash will be distributed in the coming year.

STATEMENT OF DIRECTORS/TRUSTEES RESPONSIBILITIES

Company law requires the directors/trustees 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 incoming and outgoing resources of the company for that period. In preparing those financial statements, the directors/trustees are required to

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

Cymdeithas Rheilffordd Eryri
(formerly Welsh Highland Railway Society)

Report of the Directors
for the Year Ended 31 December 2003

STATEMENT OF DIRECTORS/TRUSTEES RESPONSIBILITIES - continued

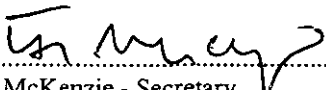
The directors/trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

The auditors, Dunn and Ellis - Chartered Accountants, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD:


.....
T C I McKenzie - Secretary

Date: 24/4/04

Report of the Independent Auditors to the Members of
Cymdeithas Rheilffordd Eryri
(formerly Welsh Highland Railway Society)

We have audited the financial statements of Cymdeithas Rheilffordd Eryri (formerly Welsh Highland Railway Society) for the year ended 31 December 2003 on pages five to nine. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 an auditors' report 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.

Respective responsibilities of directors and auditors

As described on pages two and three the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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 Report of the Directors 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 is not disclosed. We are not required to consider whether the statement in the Directors'/Trustees' report concerning the major risks to which the Charity is exposed covers all the risks and controls, or to form an opinion on the effectiveness of the Charity's risk management and control procedures.

We read the Report of the Directors/Trustees and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies within the financial statements. Our responsibilities do not extend to any other information.

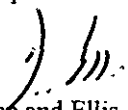
Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 as at 31 December 2003 and of its incoming and outgoing resources for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Dupin and Ellis - Chartered Accountants
REGISTERED AUDITORS
7/9 High Street
Porthmadog
Gwynedd LL49 9LR

Date: 18 May 2004.

Cymdeithas Rheilffordd Eryri
(formerly Welsh Highland Railway Society)

Statement of Financial Activities
for the Year Ended 31 December 2003

		Unrestricted Funds 31.12.03	Unrestricted Funds 31.12.02
	Notes	£	£
INCOMING RESOURCES			
Income from the sale of Souvenirs	1	6,271	7,656
Less: Cost of sales		3,967	4,641
		<hr/>	<hr/>
Gross Income		2,304	3,015
Subscription income		30,926	31,785
Life membership fees		2,050	3,850
Donations received		3,928	4,298
Bequests		10,000	nil
Gift aid tax recovery		12,865	nil
Sundry income		5,985	1,674
Investment income		313	309
		<hr/>	<hr/>
TOTAL INCOMING RESOURCES		68,371	44,931
		<hr/>	<hr/>
OUTGOING RESOURCES			
Donation Ffestiniog Railway Trust		24,872	20,409
Management and administration of the Charity's objectives		21,620	16,224
Depreciation		1,170	716
		<hr/>	<hr/>
TOTAL OUTGOING RESOURCES		47,662	37,349
		<hr/>	<hr/>
NET INCOMING RESOURCES		20,709	7,582
Accumulated Funds brought forward		35,034	27,452
		<hr/>	<hr/>
ACCUMULATED FUNDS carried forward		55,743	35,034
		<hr/> <hr/>	<hr/> <hr/>

Net incoming resources are derived from the company's continuing operations.

The notes form part of these financial statements

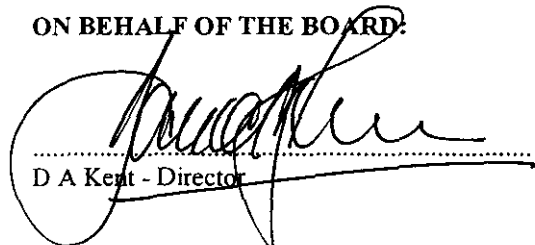
Cymdeithas Rheilffordd Eryri
(formerly Welsh Highland Railway Society)

Balance Sheet
31 December 2003

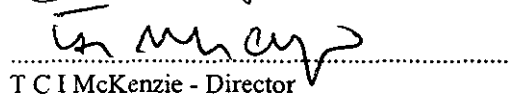
		<u>31.12.03</u>		<u>31.12.02</u>	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	4		3,289		1,433
CURRENT ASSETS:					
Stocks	5	3,778		2,480	
Debtors	6	1,312		1,923	
Cash at bank and in hand		<u>48,645</u>		<u>29,559</u>	
		53,735		33,962	
CREDITORS: Amounts falling due within one year	7	<u>1,281</u>		<u>361</u>	
NET CURRENT ASSETS:			<u>52,454</u>		<u>33,601</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			<u>£55,743</u>		<u>£35,034</u>
RESERVES:					
Accumulated fund			<u>55,743</u>		<u>35,034</u>
			<u>£55,743</u>		<u>£35,034</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

ON BEHALF OF THE BOARD:



 D A Kent - Director



 T C I McKenzie - Director

Approved by the Board on 24/4/04.....

The notes form part of these financial statements

Notes to the Financial Statements
for the Year Ended 31 December 2003

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible fixed assets

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

Plant and machinery etc	- 33% on cost
	- 15% on cost

Stocks

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

Deferred tax

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

Fund Accounting

Unrestricted funds are funds which are available at the discretion of the trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the funds provider. During the year no funds were in this category.

Accounting for Charities

The financial statements have been prepared in accordance with the SORP 'Accounting for Charities' issued by the Charity Commissioners for England and Wales.

2. OPERATING SURPLUS

The operating surplus is stated after charging:

	31.12.03	31.12.02
	£	£
Depreciation - owned assets	1,170	716
Auditors' remuneration	<u>441</u>	<u>235</u>
Directors' emoluments and other benefits etc	<u>-</u>	<u>-</u>

Notes to the Financial Statements
for the Year Ended 31 December 2003

3. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	31.12.03 £	31.12.02 £
Current tax:		
UK corporation tax	-	7
Overprovision in previous year	<u>-</u>	<u>(2)</u>
Total current tax	<u>-</u>	<u>5</u>
 Tax on profit on ordinary activities	 <u>-</u>	 <u>5</u>

The accounts of the company, which is a registered charity, are prepared on the basis that there is no liability to taxation.

4. TANGIBLE FIXED ASSETS

	Plant and machinery etc
	£
COST:	
At 1 January 2003	2,149
Additions	<u>3,026</u>
At 31 December 2003	<u>5,175</u>
DEPRECIATION:	
At 1 January 2003	716
Charge for year	<u>1,170</u>
At 31 December 2003	<u>1,886</u>
NET BOOK VALUE:	
At 31 December 2003	<u>3,289</u>
At 31 December 2002	<u>1,433</u>

5. STOCKS

	31.12.03 £	31.12.02 £
Stock	<u>3,778</u>	<u>2,480</u>

Stock of souvenirs and other items are at the valuation of the directors/trustees.

Cymdeithas Rheilffordd Eryri
(formerly Welsh Highland Railway Society)

Notes to the Financial Statements
for the Year Ended 31 December 2003

**6. DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	31.12.03	31.12.02
	£	£
Trade debtors	<u>1,312</u>	<u>1,923</u>

**7. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	31.12.03	31.12.02
	£	£
Trade creditors	840	119
Taxation	-	7
Accrued expenses	<u>441</u>	<u>235</u>
	<u>1,281</u>	<u>361</u>

8. RELATED PARTY DISCLOSURES

Related parties are the members and directors of the company. The ultimate control of the company rests with the members. The only transactions between the members and the company involved the payment of subscriptions and the purchase of books, videos and clothing held by the company for resale.

Cymdeithas Rheilffordd Eryri
(formerly Welsh Highland Railway Society)

Detailed Income and Expenditure Account
for the Year Ended 31 December 2003

	<u>31.12.03</u>		<u>31.12.02</u>	
	£	£	£	£
Sales		6,271		7,656
Cost of sales:				
Cost of Goods sold	3,548		4,302	
Indirect selling expenditure	<u>419</u>		<u>339</u>	
		<u>3,967</u>		<u>4,641</u>
GROSS PROFIT		2,304		3,015
Other income:				
Annual subscriptions	30,926		31,785	
Life memberships	2,050		3,850	
Donations received	3,928		4,298	
Raffle proceeds	2,158		661	
Sundry income	699		1,013	
NG 15 income	2,170		-	
Advertising revenue	958		-	
Gift aid income tax recovery	12,865		-	
Bequest	10,000		-	
Deposit account interest	<u>313</u>		<u>314</u>	
		<u>66,067</u>		<u>41,921</u>
		68,371		44,936
Expenditure:				
Printing and stationery	11,761		9,388	
Postage and advertising	3,152		2,730	
Motor expenses	100		127	
Tools	5,705		2,873	
Sundry expenses	427		836	
Auditors remuneration	441		235	
Legal & professional fees	34		35	
Ffestiniog Railway Trust	<u>24,872</u>		<u>20,409</u>	
		<u>46,492</u>		<u>36,633</u>
		21,879		8,303
Depreciation:				
Plant & machinery		<u>1,170</u>		<u>716</u>
NET PROFIT		<u>£20,709</u>		<u>£7,587</u>

This page does not form part of the statutory financial statements