

Report of the Directors and  
Financial Statements for the Year Ended 31 December 2000  
for  
Welsh Highland Railway Society

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



**Welsh Highland Railway Society**

**Contents of the Financial Statements**  
**for the Year Ended 31 December 2000**

	<b>Page</b>
<b>Company Information</b>	<b>1</b>
<b>Report of the Directors</b>	<b>2</b>
<b>Report of the Auditors</b>	<b>4</b>
<b>Profit and Loss Account</b>	<b>5</b>
<b>Balance Sheet</b>	<b>6</b>
<b>Notes to the Financial Statements</b>	<b>7</b>
<b>Trading and Profit and Loss Account</b>	<b>9</b>

**Welsh Highland Railway Society**

**Company Information**  
**for the Year Ended 31 December 2000**

**DIRECTORS:**

D A Kent  
J H O Ewing  
R P C Higgs  
T C I McKenzie  
D A Williams  
E Jones  
D H Thomas

**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

## Welsh Highland Railway Society

### Report of the Directors for the Year Ended 31 December 2000

The directors present their report with the financial statements of the company for the year ended 31 December 2000.

#### **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**

The directors during the year under review were:

D A Kent	
J H O Ewing	
C D Hill	- resigned 16.9.00
R P C Higgs	
C C Lodge	- resigned 16.9.00
R Gartside	- resigned 11.1.00
T C I McKenzie	- appointed 8.4.00
D A Williams	- appointed 8.4.00
E Jones	- appointed 16.9.00
D H Thomas	- appointed 16.9.00

#### **YEAR 2001 ISSUES**

The challenge for 2001, and the foreseeable future, is to increase the amount of funds raised. In pursuance of the company's main aim of reinstating the permanent way, nearly £50,000 has been donated over the last two years. In 2000, especially, the donations and other outgoings were in excess of income. This trend will not be sustainable year on year. Fundraising will need to increase in order to maintain the current levels of donation.

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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

- 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.

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 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**

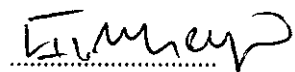
The auditors, Dunn and Ellis - Chartered Accountants, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

Welsh Highland Railway Society

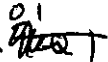
Report of the Directors  
for the Year Ended 31 December 2000

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

Dated: 7.4.<sup>01</sup> 

**Welsh Highland Railway Society**

**Report of the Auditors to the Members of  
Welsh Highland Railway Society**

We have audited the financial statements on pages five to eight which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000), under the historical cost convention and the accounting policies set out on page seven.

**Respective responsibilities of directors and auditors**

As described on page two 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 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 2000 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

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

Dated: 9 April 2001.

**Welsh Highland Railway Society**

**Profit and Loss Account**  
**for the Year Ended 31 December 2000**

		<u>31.12.00</u>	<u>31.12.99</u>
	Notes	£	£
<b>TURNOVER</b>		<b>4,839</b>	<b>4,013</b>
Cost of sales		<u>1,394</u>	<u>3,120</u>
<b>GROSS PROFIT</b>		<b>3,445</b>	<b>893</b>
Administrative expenses		<u>46,127</u>	<u>34,855</u>
		<b>(42,682)</b>	<b>(33,962)</b>
Other operating income		<u>36,448</u>	<u>32,390</u>
<b>OPERATING LOSS</b>	<b>2</b>	<b>(6,234)</b>	<b>(1,572)</b>
Interest receivable and similar income		<u>1,095</u>	<u>1,346</u>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(5,139)</b>	<b>(226)</b>
Tax on loss on ordinary activities	<b>3</b>	<u>(105)</u>	<u>273</u>
<b>LOSS FOR THE FINANCIAL YEAR AFTER TAXATION</b>		<b>(5,034)</b>	<b>(499)</b>
Retained profit brought forward		<u>40,525</u>	<u>41,024</u>
<b>RETAINED PROFIT CARRIED FORWARD</b>		<u><b>£35,491</b></u>	<u><b>£40,525</b></u>

The notes form part of these financial statements

**Welsh Highland Railway Society**

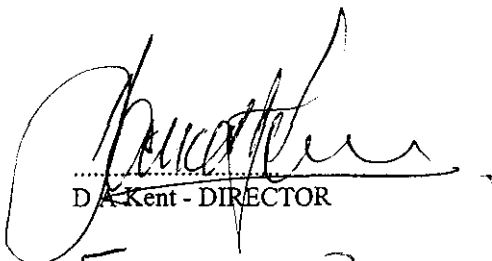
**Balance Sheet**

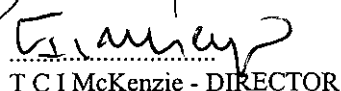
**31 December 2000**

		<u>31.12.00</u>	<u>31.12.99</u>
	Notes	£	£
<b>CURRENT ASSETS:</b>			
Stocks		8,025	3,377
Debtors	4	632	-
Cash at bank		<u>27,500</u>	<u>38,694</u>
		36,157	42,071
<b>CREDITORS: Amounts falling due within one year</b>	5	<u>666</u>	<u>1,546</u>
<b>NET CURRENT ASSETS:</b>		<u>35,491</u>	<u>40,525</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES:</b>		<u><u>£35,491</u></u>	<u><u>£40,525</u></u>
<b>RESERVES:</b>			
Profit and loss account		<u>35,491</u>	<u>40,525</u>
		<u><u>£35,491</u></u>	<u><u>£40,525</u></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 March 2000).

**ON BEHALF OF THE BOARD:**

  
.....  
D A Kent - DIRECTOR

  
.....  
T C I McKenzie - DIRECTOR

Approved by the Board on 7.4.01 

The notes form part of these financial statements



## Welsh Highland Railway Society

### Notes to the Financial Statements for the Year Ended 31 December 2000

#### 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 March 2000).

##### **Turnover**

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

##### **Stocks**

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

##### **Deferred taxation**

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

#### 2. OPERATING LOSS

The operating loss is stated after charging:

	31.12.00	31.12.99
	£	£
Auditors' remuneration	558	441
	<u>      </u>	<u>      </u>
Directors' emoluments and other benefits etc	-	-
	<u>      </u>	<u>      </u>

#### 3. TAXATION

The tax (credit)/charge on the loss on ordinary activities for the year was as follows:

	31.12.00	31.12.99
	£	£
UK corporation tax	137	273
Overprovision 1999	(242)	-
	<u>(105)</u>	<u>273</u>

The accounts of the company are prepared on the basis that the surplus generated each year comes from the activities of the members. To the extent that any income generated is not of a mutual nature it is liable to corporation tax.

#### 4. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.00	31.12.99
	£	£
Trade debtors	632	-
	<u>      </u>	<u>      </u>

Welsh Highland Railway Society

Notes to the Financial Statements  
for the Year Ended 31 December 2000

5. CREDITORS: AMOUNTS FALLING  
DUE WITHIN ONE YEAR

	31.12.00	31.12.99
	£	£
Taxation	137	515
Accrued expenses	529	1,031
	<u>666</u>	<u>1,546</u>