
WENSLEYDALE RAILWAY PLC

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2016

Company registration number 04093919



jwpcreeers llp
CHARTERED ACCOUNTANTS

WENSLEYDALE RAILWAY PLC

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2016

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WENSLEYDALE RAILWAY PLC

STRATEGIC REPORT

YEAR ENDED 31 MARCH 2016

This has proved to be another difficult trading year, though not without its achievements. The major factors affecting our profitability have been the loss of 'Joem', the steam locomotive which we lease from NELPG, which was out of service for most of the 2015 season, the winter floods which impacted on the use of the line from the River Swale to Northallerton, and on the positive side the funds we received from the contractors working on the Bedale Relief Road. Many of the broader issues which were mentioned in last year's report regarding infrastructure, staffing, the need for investment and the condition of our rolling stock, remain issues today.

GOVERNANCE

The company has not made any changes to its own structures, although there have been a number of changes to the membership of the Board, and we are trying to develop new ways of working. Additionally, we noted in our last report that in the summer of 2015 the two other railway organisations, the Wensleydale Railway Association (WRA) and the Wensleydale Railway Trust (WRT), had merged to form a new charitable organisation with a substantial membership. We now have the Wensleydale Railway Association (Trust) Limited (WRA(T)), and we are learning to adapt our arrangements so that the two bodies, the plc and the WRA(T), can work more closely together.

There have been a number of changes in the membership of the Board during the year. These were partly a result of efforts to increase and strengthen membership. In March 2015, Neil Barker was co-opted to the Board, reflecting his role as Chairman of the Extensions Committee. However, he decided not to stand for election at the AGM in September. In July Steve Hall was co-opted to the Board and subsequently elected at the AGM. Russell Lord retired by rotation at the AGM. Russell's participation in the work of the Board during the previous two years had been severely affected by external factors and health problems, and after discussion he accepted that it would not be right for the Board to support his re-election. However, he made clear that he now wished to re-engage with the Railway, and the Board decided that an early co-option would be appropriate. In September, shortly after the AGM, Graham Harris was co-opted to the Board, and Colin Meddes was also co-opted and appointed as Health and Safety Director. In November, Russell Lord was brought back on the Board by co-option, and at this same meeting John Richardson was also co-opted. Colin Meddes later decided that he wished to stand down as a Director, but the Board has accepted his offer to continue to advise on Health and Safety matters.

The AGM also marked the end of a long period of service by Andrew 'Angus' Maude. Angus was a previous Chairman of the plc Board, who had also served as the Chairman of the Trust from its establishment in 2000, and as the Chairman of the WRA when it became a limited company in 2006. In recent times, he has taken responsibility for the Board's property management, and although standing down from the Board, he agreed to continue handling property matters for the Board. We are immensely grateful to Angus not only for the work he has done for the Board over many years, but also for the contribution he has made to the whole Railway project from its earliest days.

Gordon Steadman, after a year as the company's Finance Director, resigned at the beginning of July 2015. Peter Annison became Financial Controller for a period, and we are grateful to him for seeing through the completion of the audit and the presentation of the accounts to the AGM.

The Board has been working towards giving its members responsibilities for certain areas of the operation of the Railway. Carl Les has taken responsibility as Marketing and Commercial Director, dealing with marketing, retail trading, and events development; John Richardson has accepted responsibilities in relation to civil engineering matters; Graham Harris will lead on operations matters and rolling stock; David Walker will be responsible for grant fund-raising; Russell Lord will deal with infrastructure and permanent way. Work is still progressing to clarify how these and other similar arrangements will be taken forward in practice.

WENSLEYDALE RAILWAY PLC

STRATEGIC REPORT *(CONTINUED)*

YEAR ENDED 31 MARCH 2016

FINANCE

Inevitably it has taken time for the new organisation, WRA(T), to settle down. The plc and the new Trust are now exploring the best ways of working together. It is clear that in future any major fund-raising appeal will be best organised through the WRA(T) in order to make the best use of Gift Aid, but fund-raising must also reflect the present needs of the operating company.

In late June 2015, shortly after the creation of the new organisation, a Special meeting was held between the members of the two boards, to review the financial situation of the plc and consider what help the new WRA(T) would be able to give.

In the accounts for last year, our auditors drew attention to the significance of the level of net current liabilities. During this year we have made strenuous efforts to reduce these liabilities, with some success. The repayment by instalments of two long-term loans continued; in one case the repayment of a £10,000 loan was completed in November 2015, and in the other case the repayment over a four-year period of a loan of £19,000 (which with added interest was significantly more) was finally concluded in May 2016, just after the end of the financial year. In August, the sale of land at Leyburn by Network Rail was finally concluded. The land was removed from our lease, and as part of the agreement our rent arrears of £36,873, relating to a period ending 28 September 2009, were written off. We now have a new revised lease.

At the AGM in September last year, the Chairman called attention to the historic debts and liabilities of the company, and a Chairman's Fund was established to receive money which would be 'ring-fenced' for the repaying of old debt. The response from shareholders and other supporters was very generous, and by the end of the financial year about £54,000 had been received, which had grown to £64,000 at the time of writing in mid-June. The Fund has enabled us to repay several bondholders, has contributed to the repayment of loans, and most significantly has made it possible to repay a number of creditors in whole or part. These include other heritage railway organisations to which we had long-standing debts. There is more to do, but clearing old debt is both a moral issue and an important step towards enabling the Railway to re-establish its reputation and its business relationships, thus providing a sound basis for future developments. The Board is determined to continue this work.

This is all good news, but we must record that a short-term loan of £5,000 was negotiated with a shareholder to help us with winter cash flow. This is already being repaid in monthly instalments.

The sponsorship scheme has continued to provide vital additional income, approaching £3,000 per month. However, it has not developed as we had hoped. For some time, we were unable to find a volunteer to administer and promote the scheme, and it was being managed on a 'care and maintenance' basis by a director, with the help of the office staff to organise the benefit packs and tea trains. The Board decided that it would engage a commercial partner to operate the scheme on a commission basis, and in early July 2015 it was handed to John Gallery's company, Great Potential. However, for various reasons this was not a successful arrangement, and in March 2016 by mutual agreement the administration was handed back to a WR volunteer. More on this next year!

At the end of the financial year, we had to say farewell to Veronica Leake Shaw, our Accounts Manager. Veronica had been with us for about 18 months, and helped to provide stability and control during a time of some financial difficulty. We wish her and her husband well in their new life in France.

COMMERCIAL AND RETAIL

In our report last year, we referred to the purchase of an electronic ticketing and EPOS system, and said that the installation of the system had proved more difficult than expected. The introduction of this system has, for technical reasons, continued to be troublesome, and we have also had to provide training for staff. It is only now, well after the end of the financial year, that we are starting to see the benefits of improved information.

WENSLEYDALE RAILWAY PLC

STRATEGIC REPORT *(CONTINUED)*

YEAR ENDED 31 MARCH 2016

Our Marketing and Commercial Director has expressed his amazement at the efforts and commitment shown both by our volunteers and by our very small band of paid staff. All are generous with their time and often with their wallets, and he offers his and the Board's thanks to all who work in this area.

Sadly, the Railway has so many priority calls on resources that investment in retail and commercial activities is not often available, even though such investment would generate income and profit. Based on his experience that the business plan should be kept simple, he sets out the following plan for the coming year:

- Stop running empty trains by developing more special events;
- Continue with a marketing budget that shows a notional spend of £23k, but make sure there is £5k cash to spend;
- Improve the catering offer on trains;
- Improve the retail offer at stations;
- Improve the selling layout of Northallerton kiosk, and enable it to offer a branded coffee and hot food items.

INFRASTRUCTURE

The struggle to maintain our infrastructure to an acceptable standard continues on a regular basis, and we remain immensely grateful to those who form our working parties to replace decayed sleepers and worn-out rail, who tackle poor drainage and damaged fencing, and who battle with nature to control vegetation. Nevertheless, at present the demand for the renewal of track and the maintenance of old culverts and bridges and other parts of our running line exceeds our ability, in financial terms as well as manpower, to deal with it. We would like here to pay tribute to our Infrastructure Manager, Mike Brittlebank, who has led the battle to maintain services, and to John Richardson and Steve Hall who have organised and led the vegetation team. Together with our friends in the WRA(T) we must find ways of raising large sums to deal more comprehensively with these problems, including the cost of employing more staff.

At present, we are continually firefighting. We have had occasions when we have been very near to closing parts of the line until certain stretches of track could be replaced. Indeed, that is what happened early in 2016 at the eastern end of our line, where we had to suspend passenger services to and from Northallerton West. We have struggled to find the resources and materials, as well as the manpower, to rebuild some of the damaged lengths, but as this report is being written, at the end of June, repairs were well under way.

Level crossings provide another area where much has to be done. Renewal of the crossings at Finghall and at Crakehall took place during the winter, but we anticipate that major expenditure will be required soon at Yafforth, Ainderby and Wensley. Even at Bedale, where major work was undertaken only a few years ago, further work is now required on the heavily used crossing.

We are pleased to report that repair of the major landslip at Akebar does appear to have been successful. Work to complete the landscaping is continuing.

ROLLING STOCK

In early 2015, a class 121 single car unit was obtained from a mainline operator, part funded by a consortium of members and part by the plc. The unit, which has 51 seats and can operate on its own or in multiple with other diesel units, has proved to be a very valuable acquisition. The plc-owned 101 two car set has had to be withdrawn with numerous faults, some of which are long standing and will require considerable investment to resolve. Without the new unit it is unlikely that we could have maintained much of the 2015 timetable, particularly in the shoulders of the season and off-peak.

WENSLEYDALE RAILWAY PLC

STRATEGIC REPORT *(CONTINUED)*

YEAR ENDED 31 MARCH 2016

Whilst our reliance on DMU vehicles for passenger work is convenient and low cost, it does not present a wholly attractive product, particularly to the important family audience who expect heritage railways to offer a more traditional experience using coaching stock, even if hauled by a diesel locomotive. What is certain is that if we are running a DMU, it must be smart and finished in an appropriate livery. This will require significant investment in both internal and external condition.

Our usual resident steam locomotive, usually known as 'Joem', suffered damage at another site in early 2015 and was unavailable for the whole of our peak season, not returning until September. This has had a major impact on passenger numbers, which proves the attraction of steam and the need for us to move quickly to a more heritage focused operation. Our facilities are basic and our relationship with NELPG, who supply us with steam and are both helpful and understanding, is very important.

A programme of improvement is also being slowly developed for our hauled coaches which are in need of continuing maintenance and improvement. All of this relates to providing a satisfactory experience for visitors with the aim of encouraging repeat visits.

Leeming Bar is the most frequently visited station on the line and also the least attractive. A plan to develop the site is being developed which would result in a world class heritage railway facility. It will need a robust and extensive funding plan for this to be achieved and consideration of how this can be assembled is under-way.

OPERATIONS

Special events continue to play an important part in generating revenue. Development of our Diesel Gala, Beer Festival, Santa Specials and supporting local activities such as the Leyburn 1940s weekend and Dales Festival of Food and Drink, continues with some success. The 2015 Santa Season was our best yet as a result of some significant planned development.

Our afternoon tea and light lunch offerings continue to develop and are contributing increasing revenue.

Northallerton West was operated through most of the 2014/15 season which has given us experience of passenger numbers and demand on this important new link, which will be incorporated in future service plans.

All heritage railways, and indeed most volunteer run organisations, are finding the recruitment of volunteers increasingly difficult. The additionally onerous training and qualification required for operational duties is resulting in fewer people achieving those grades.

Heritage railways in particular are finding it necessary to recruit more paid staff and this cannot be long delayed if we are to maintain current operating levels. Our current staff are under considerable strain, particularly in the peak season, which has to be addressed by a responsible employer. This will be a major element as we consider future operating levels.

PROPERTY

The Railway is responsible for a significant number of properties. These include some freehold ones such as Leeming Bar and Aysgarth and properties leased either from Network Rail or third parties. All these properties require managing, both in terms of paying and collecting rents and maintenance of the fabric. Like many activities on the Railway, this has been done almost exclusively by volunteers, at minimal cost to the company. However, most of the properties now require significant investment to carry out repairs and maintenance, which is beyond the resources of our volunteers, just to keep them watertight and safe. Many also need improvements to make them fit for the 21st century. Funding has not been identified for this work so far.

Reviews of property rents have been carried as they fall due to ensure that rents are maximised and paid, and by the same token rents paid to third parties minimised. Similarly, rents from wayleaves continue to be reviewed and efforts are made to increase the rents.

WENSLEYDALE RAILWAY PLC

STRATEGIC REPORT (CONTINUED)

YEAR ENDED 31 MARCH 2016

STAFFING

We have added to our staff Virginia Arrowsmith, who is the leader of the Education and Heritage Project, which is directed towards schools and based on Scruton Station. This post is fully funded, and is an integral part of a project for which the WRA(T) won a grant of £41,875 from the Heritage Lottery Fund. The details of the project are beyond the scope of this report, but we must congratulate David Walker, who led the effort to put together this grant application.

Overall the staffing situation remains much as it was last year. However, recently we have been fortunate to receive some help with administrative tasks, especially grant applications, from particular staff members of Richmondshire and Hambleton District Councils. We have put more effort into the recruitment and training of volunteers, and we are very grateful to Bob Coombs and his colleagues who have established the Volunteer Support Group to improve the ways we recruit, train and support our volunteers. An Open Day was held in October 2015 and as a result we were able to recruit a good number of new volunteers. However, it still remains true that we need to appoint more paid staff, and we wish to record our thanks to our existing employees, who often go the extra mile on behalf of the Railway.

THE FUTURE

We are still confident that there is a bright future for the Railway. We need to find large sums to invest in our infrastructure and buildings, but we have the steady support of the WRA(T), with whom we are developing a productive partnership. We are working hard to develop new income streams, we have major projects coming to fruition, and the widespread support we receive from shareholders and WRA(T) members throughout the country is a great reassurance in times of difficulty.

This report was approved by the board of directors on 8 August 2016 and signed on behalf of the board by:



D A Haxby
Director

Registered office:
Leeming Bar Station,
Leases Road,
Leeming Bar,
Northallerton,
North Yorkshire.
DL7 9AR

WENSLEYDALE RAILWAY PLC

DIRECTORS REPORT

YEAR ENDED 31 MARCH 2016

The directors present their report and the financial statements of the group for the year ended 31 March 2016.

DIRECTORS

The directors who served the company during the year were as follows:

R F Lord	
C A Les	
D A Haxby	
K Monkman	
N Park	
D Walker	
S Hall	(Appointed 12 September 2015)
G Harris	(Appointed 21 September 2015)
J Richardson	(Appointed 16 November 2015)
A A Maude	(Retired 12 September 2015)
G Steadman	(Retired 6 July 2015)
N E H Barker	(Retired 12 September 2015)
C Meddes	(Served from 21 September 2015 to 11 January 2016)

R F Lord resigned as a director on 12 September 2015 and was reappointed on 16 November 2015.

DIVIDENDS

As per the Articles of Association, shareholders are not entitled to a dividend.

FUTURE DEVELOPMENTS

The future developments of the company are disclosed in the strategic report.

APPROVAL OF REDUCED DISCLOSURE

The company, as a qualifying entity, has taken advantage, in respect of its separate financial statements, of the disclosure exemptions in FRS102 paragraph 1.12. The Company's shareholders have been notified in writing about the intention to take advantage of the disclosure exemptions and no objection has been received.

The Company also intends to take advantage of these exemptions in the financial statements to be issued in the following year. Objections may be served on the Company by shareholders holding in aggregate 5 per cent or more of the total allocated shares in the Company. They should be served no later than 31 March 2017.

DISCLOSURE OF INFORMATION IN THE STRATEGIC REPORT

In accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, the directors have prepared a Strategic Report which can be found on page 1 of the financial statements.

DIRECTORS RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the strategic report, directors report 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 group and the company and the profit or loss of the group for that period.

WENSLEYDALE RAILWAY PLC

DIRECTORS REPORT (CONTINUED)

YEAR ENDED 31 MARCH 2016

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK 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.

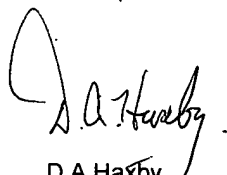
AUDITOR

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the group and the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the group and the company's auditor is aware of that information.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

This report was approved by the board of directors on 8 August 2016 and signed on behalf of the board by:



D A Haxby
Director

Registered office:
Leeming Bar Station,
Leases Road,
Leeming Bar,
Northallerton,
North Yorkshire.
DL7 9AR

WENSLEYDALE RAILWAY PLC
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WENSLEYDALE
RAILWAY PLC
YEAR ENDED 31 MARCH 2016

We have audited the financial statements of Wensleydale Railway PLC for the year ended 31 March 2016 which comprise the consolidated statement of comprehensive income, consolidated statement of financial position, company statement of financial position, consolidated statement of changes in equity, company statement of changes in equity, consolidated statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 an auditor's 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 AUDITOR

As explained more fully in the directors responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the strategic report and the directors report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2016 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

EMPHASIS OF MATTER

In forming our opinion we have considered the adequacy of the disclosures made in note 2 of the financial statements concerning the level of liabilities. In view of the significance of the level liabilities, we consider that it should be drawn to your attention but our opinion is not qualified in this respect.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

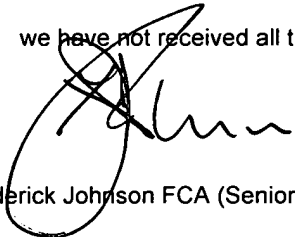
In our opinion the information given in the strategic report and the directors report for the financial year for which the financial statements are prepared is consistent with the financial statements.

WENSLEYDALE RAILWAY PLC
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WENSLEYDALE
RAILWAY PLC (CONTINUED)
YEAR ENDED 31 MARCH 2016

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Frederick Johnson FCA (Senior Statutory Auditor)

For and on behalf of
JWPCreers LLP
Chartered accountant & statutory auditor
Genesis 5
Church Lane
Heslington
York
YO10 5DQ
17/9/2016

WENSLEYDALE RAILWAY PLC
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 31 MARCH 2016

	Note	2016 £	2015 £
TURNOVER	3	644,562	491,622
Cost of sales		(325,245)	(399,911)
GROSS PROFIT		319,317	91,711
Administrative expenses		(235,854)	(187,261)
Other operating income	4	55,122	49,901
OPERATING PROFIT/(LOSS)	5	138,585	(45,649)
Other interest receivable and similar income		–	7
Interest payable and similar charges	9	(11,305)	(11,587)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		127,280	(57,229)
Tax on profit/(loss) on ordinary activities	10	(4,440)	–
PROFIT/(LOSS) FOR THE FINANCIAL YEAR AND TOTAL COMPREHENSIVE INCOME		122,840	(57,229)

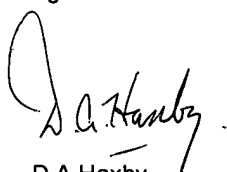
All the activities of the group are from continuing operations.

The notes on pages 16 to 24 form part of these financial statements.

WENSLEYDALE RAILWAY PLC
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 MARCH 2016

	Note	2016 £	2015 £
FIXED ASSETS			
Tangible assets	12	1,387,735	1,345,185
CURRENT ASSETS			
Stocks	14	5,350	5,468
Debtors	15	34,966	158,500
Cash at bank and in hand	16	20,225	11,344
		<u>60,541</u>	<u>175,312</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	17	<u>323,606</u>	<u>527,946</u>
NET CURRENT LIABILITIES		(263,065)	(352,634)
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,124,670</u>	<u>992,551</u>
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	18	519,269	512,540
NET ASSETS		<u>605,401</u>	<u>480,011</u>
CAPITAL AND RESERVES			
Called up share capital	20	2,531,028	2,528,478
Revaluation reserve	21	117,077	117,077
Profit and loss account	21	(2,042,704)	(2,165,544)
MEMBERS FUNDS		<u>605,401</u>	<u>480,011</u>

These financial statements were approved by the board of directors and authorised for issue on 8 August 2016, and are signed on behalf of the board by:



D A Haxby
Director

Company registration number: 04093919

The notes on pages 16 to 24 form part of these financial statements.

WENSLEYDALE RAILWAY PLC
COMPANY STATEMENT OF FINANCIAL POSITION
31 MARCH 2016

	Note	2016 £	2015 £
FIXED ASSETS			
Tangible assets	12	863,852	815,627
Investments	13	101,650	101,650
		<u>965,502</u>	<u>917,277</u>
CURRENT ASSETS			
Stocks	14	5,350	5,468
Debtors	15	259,802	367,606
Cash at bank and in hand	16	20,225	11,344
		<u>285,377</u>	<u>384,418</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	17	<u>388,791</u>	<u>596,398</u>
NET CURRENT LIABILITIES		(103,414)	(211,980)
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>862,088</u>	<u>705,297</u>
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	18	320,114	298,438
NET ASSETS		<u>541,974</u>	<u>406,859</u>
CAPITAL AND RESERVES			
Called up share capital	20	2,531,028	2,528,478
Profit and loss account	21	(1,989,054)	(2,121,619)
MEMBERS FUNDS		<u>541,974</u>	<u>406,859</u>

These financial statements were approved by the board of directors and authorised for issue on 8 August 2016, and are signed on behalf of the board by:


D A Haxby
Director

Company registration number: 04093919

The notes on pages 16 to 24 form part of these financial statements.

WENSLEYDALE RAILWAY PLC
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 MARCH 2016

	Called up share capital £	Revaluation reserve £	Profit and loss account £	Total £
AT 1 APRIL 2014	2,491,768	117,077	(2,108,315)	500,530
Loss for the year			(57,229)	(57,229)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>—</u>	<u>—</u>	<u>(57,229)</u>	<u>(57,229)</u>
Issue of shares	36,710	—	—	36,710
TOTAL INVESTMENTS BY AND DISTRIBUTIONS TO OWNERS	<u>36,710</u>	<u>—</u>	<u>—</u>	<u>36,710</u>
AT 31 MARCH 2015	2,528,478	117,077	(2,165,544)	480,011
Profit for the year			122,840	122,840
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>—</u>	<u>—</u>	<u>122,840</u>	<u>122,840</u>
Issue of shares	2,550	—	—	2,550
TOTAL INVESTMENTS BY AND DISTRIBUTIONS TO OWNERS	<u>2,550</u>	<u>—</u>	<u>—</u>	<u>2,550</u>
AT 31 MARCH 2016	<u>2,531,028</u>	<u>117,077</u>	<u>(2,042,704)</u>	<u>605,401</u>

The notes on pages 16 to 24 form part of these financial statements.

WENSLEYDALE RAILWAY PLC
COMPANY STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 MARCH 2016

	Called up share capital £	Profit and loss account £	Total £
AT 1 APRIL 2014	2,491,768	(2,072,426)	419,342
Loss for the year		(49,193)	(49,193)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	—	(49,193)	(49,193)
Issue of shares	36,710	—	36,710
TOTAL INVESTMENTS BY AND DISTRIBUTIONS TO OWNERS	36,710	—	36,710
AT 31 MARCH 2015	2,528,478	(2,121,619)	406,859
Profit for the year		132,565	132,565
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	—	132,565	132,565
Issue of shares	2,550	—	2,550
TOTAL INVESTMENTS BY AND DISTRIBUTIONS TO OWNERS	2,550	—	2,550
AT 31 MARCH 2016	<u>2,531,028</u>	<u>(1,989,054)</u>	<u>541,974</u>

The notes on pages 16 to 24 form part of these financial statements.

WENSLEYDALE RAILWAY PLC
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED 31 MARCH 2016

	Note	2016 £	2015 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) for the financial year		122,840	(57,229)
<i>Adjustments for:</i>			
Depreciation of tangible assets		49,613	40,741
Other interest receivable and similar income		–	(7)
Interest payable and similar charges		11,305	11,587
Gains on disposal of tangible assets		–	(1,818)
Tax on profit/(loss) on ordinary activities		4,440	–
Accrued (income)/expenses		(59,276)	105,584
<i>Changes in:</i>			
Stocks		118	(311)
Trade and other debtors		123,534	(84,447)
Trade and other creditors		(109,061)	93,409
Cash generated from operations		<u>143,513</u>	<u>107,509</u>
Interest paid		(11,305)	(11,587)
Interest received		–	7
Net cash from operating activities		<u>132,208</u>	<u>95,929</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of tangible assets		(92,163)	(113,520)
Proceeds from sale of tangible assets		–	6,699
Net cash used in investing activities		<u>(92,163)</u>	<u>(106,821)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of ordinary shares		2,550	36,710
Proceeds from borrowings		(21,005)	(16,519)
Payments of finance lease liabilities		–	250
Net cash (used in)/from financing activities		<u>(18,455)</u>	<u>20,441</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS		<u>21,590</u>	<u>9,549</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		<u>(12,540)</u>	<u>(22,089)</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	16	<u>9,050</u>	<u>(12,540)</u>

The notes on pages 16 to 24 form part of these financial statements.

WENSLEYDALE RAILWAY PLC

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2016

1. STATEMENT OF COMPLIANCE

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

2. ACCOUNTING POLICIES

BASIS OF PREPARATION

Wensleydale Railway PLC is a public company limited by shares incorporated in England and Wales. The company's registered office is as stated on the directors report.

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

GOING CONCERN

The directors are continuing to strive for new sources of income and control levels of expenditure. These efforts have enabled the group to significantly reduce the level of its current liabilities. These procedures are on-going and new opportunities for further funding and cost reduction are planned for the foreseeable future.

The financial statements have been prepared on the going concern basis which assumes that the company and its subsidiaries will continue in operational existence for the foreseeable future.

The validity of this assumption depends upon the success of the directors in generating additional income from new and existing sources, the continuing tight control of costs, complying with the agreements made to reduce the legacy debt and the continuing support of the Wensleydale Railway Association (Trust) Limited.

TRANSITION TO FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 April 2014. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 23.

DISCLOSURE EXEMPTIONS

The parent company satisfies the criteria of being a qualifying entity as defined in FRS 102. As such, advantage has been taken of the following reduced disclosures available under FRS 102:

- (a) Disclosures in respect of each class of share capital have not been presented.
- (b) No cash flow statement has been presented for the company.
- (c) Disclosures in respect of financial instruments have not been presented.
- (d) No disclosure has been given for the aggregate remuneration of key management personnel.

CONSOLIDATION

The consolidated financial statements annual report and accounts incorporate the financial statements annual report and accounts of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over five years from the year of acquisition. The results of companies acquired or disposed of are included in the profit and loss account after or up to the date that control passes respectively. As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements annual report and accounts by virtue of section 408 of the Companies Act 2006.

WENSLEYDALE RAILWAY PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2016

2. ACCOUNTING POLICIES (CONTINUED)

RELATED PARTIES TRANSACTIONS

The consolidated accounts of the Wensleydale Railway Plc group are publicly available. Accordingly, the company has taken advantage of the exemption in FRS 102 paragraph 33.1A from disclosing transactions with members or investees of the Wensleydale Railway Plc group.

JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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.

REVENUE RECOGNITION

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership 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.

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 provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

TAXATION

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

OPERATING LEASES

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

TANGIBLE ASSETS

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

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

WENSLEYDALE RAILWAY PLC
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2016

2. ACCOUNTING POLICIES (CONTINUED)

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.

DEPRECIATION

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Track and rail infrastructure	-	2% straight line
Station improvements	-	2.5% reducing balance
Freehold property	-	2% straight line
Plant and equipment	-	10% reducing balance and 25% straight line

INVESTMENTS

Investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Investment properties are shown at their open market value. The surplus or deficit arising from the annual revaluation is transferred to the investment revaluation reserve unless a deficit, or its reversal, on an individual investment property is expected to be permanent, in which case it is recognised in the profit and loss account for the year.

This is in accordance with the Financial Reporting Standard 102, paragraph 16.7 which, unlike the Companies Act 2006, does not require depreciation of investment properties. Investment properties are held for their investment potential and not for use by the company and so their current value is of prime importance. The departure from the provisions of the Act is required in order to give a true and fair view.

STOCKS

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

FINANCE LEASES AND HIRE PURCHASE CONTRACTS

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

FINANCIAL INSTRUMENTS

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

WENSLEYDALE RAILWAY PLC
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2016

3. TURNOVER

Turnover arises from:

	2016	2015
	£	£
Sale of goods	101,869	95,315
Rendering of services	209,102	247,486
Grants and similar income	145,835	39,807
Sponsorships	41,283	32,882
Other income	146,473	76,132
	<u>644,562</u>	<u>491,622</u>

The whole of the turnover is attributable to the principal activity of the group wholly undertaken in the United Kingdom.

4. OTHER OPERATING INCOME

	2016	2015
	£	£
Rental income	33,596	34,391
Other operating income	21,526	15,510
	<u>55,122</u>	<u>49,901</u>

5. OPERATING PROFIT

Operating profit or loss is stated after charging:

	2016	2015
	£	£
Depreciation of tangible assets	49,613	40,741
Gains on disposal of tangible assets	—	(1,818)
	<u>—</u>	<u>—</u>

6. AUDITOR'S REMUNERATION

	2016	2015
	£	£
Fees payable for the audit of the financial statements	8,750	8,250
Fees payable to the company's auditor and its associates for other services:		
Audit of the financial statements of associates	2,766	2,148
Taxation compliance services	1,250	1,250
	<u>4,016</u>	<u>3,398</u>

7. STAFF COSTS

The average number of persons employed by the group during the year, including the directors, amounted to:

	2016	2015
	No	No
Number of sales staff	4	3
Number of railway operations and maintenance staff	5	5
Number of management and administration staff	4	4
	<u>13</u>	<u>12</u>

WENSLEYDALE RAILWAY PLC
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2016

7. STAFF COSTS (CONTINUED)

The aggregate payroll costs incurred during the year, relating to the above, were:

	2016 £	2015 £
Wages and salaries	157,324	156,384
Social security costs	7,830	10,677
	<u>165,154</u>	<u>167,061</u>

8. DIRECTORS REMUNERATION

The directors aggregate remuneration in respect of qualifying services was:

	2016 £	2015 £
Remuneration	<u>29,000</u>	<u>27,000</u>

9. INTEREST PAYABLE AND SIMILAR CHARGES

	2016 £	2015 £
Interest on banks loans and overdrafts	8,245	8,066
Other interest payable and similar charges	3,060	3,521
	<u>11,305</u>	<u>11,587</u>

10. TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

Major components of tax expense

	2016 £	2015 £
Current tax:		
UK current tax expense	4,440	—
Tax on profit/(loss) on ordinary activities	<u>4,440</u>	<u>—</u>

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is lower than (2015: higher than) the standard rate of corporation tax in the UK of 20% (2015: 21%).

	2016 £	2015 £
Profit/(loss) on ordinary activities before taxation	127,280	(57,229)
Profit/(loss) on ordinary activities by rate of tax	25,456	(7,577)
Effect of expenses not deductible for tax purposes	(705)	(223)
Effect of capital allowances and depreciation	(34)	(7,275)
Utilisation of tax losses	(22,222)	—
Unused tax losses	1,945	15,075
Tax on profit/(loss) on ordinary activities	<u>4,440</u>	<u>—</u>

11. PROFIT FOR THE YEAR OF THE PARENT COMPANY

The profit for the financial year of the parent company was £132,565 (2015: £49,193 loss).

WENSLEYDALE RAILWAY PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2016

12. TANGIBLE ASSETS

Group	Investment Property £	Track and Rail Infrastructure £	Station Improvements £	Freehold Property £	Plant and Equipment £	Total £
Cost						
At 1 April 2015	330,000	602,180	283,929	283,734	232,128	1,731,971
Additions	—	25,556	—	—	66,607	92,163
At 31 March 2016	<u>330,000</u>	<u>627,736</u>	<u>283,929</u>	<u>283,734</u>	<u>298,735</u>	<u>1,824,134</u>
Depreciation						
At 1 April 2015	—	95,958	49,551	84,175	157,102	386,786
Charge for the year	—	12,555	5,860	5,675	25,523	49,613
At 31 March 2016	<u>—</u>	<u>108,513</u>	<u>55,411</u>	<u>89,850</u>	<u>182,625</u>	<u>436,399</u>
Carrying amount						
At 31 March 2016	<u>330,000</u>	<u>519,223</u>	<u>228,518</u>	<u>193,884</u>	<u>116,110</u>	<u>1,387,735</u>
At 31 March 2015	<u>330,000</u>	<u>506,222</u>	<u>234,378</u>	<u>199,559</u>	<u>75,026</u>	<u>1,345,185</u>

Company	Track and Rail Infrastructure £	Station Improvements £	Plant and Equipment £	Total £
Cost				
At 1 April 2015	602,180	280,181	232,128	1,114,489
Additions	25,556	—	66,607	92,163
At 31 March 2016	<u>627,736</u>	<u>280,181</u>	<u>298,735</u>	<u>1,206,652</u>
Depreciation				
At 1 April 2015	95,958	45,802	157,102	298,862
Charge for the year	12,555	5,860	25,523	43,938
At 31 March 2016	<u>108,513</u>	<u>51,662</u>	<u>182,625</u>	<u>342,800</u>
Carrying amount				
At 31 March 2016	<u>519,223</u>	<u>228,519</u>	<u>116,110</u>	<u>863,852</u>
At 31 March 2015	<u>506,222</u>	<u>234,379</u>	<u>75,026</u>	<u>815,627</u>

Finance leases and hire purchase contracts

Included within the carrying value of tangible assets are the following amounts relating to assets held under finance leases or hire purchase agreements:

Group and company	Plant and Equipment £
At 31 March 2016	<u>1,875</u>
At 31 March 2015	<u>2,813</u>

WENSLEYDALE RAILWAY PLC
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2016

13. INVESTMENTS

The group has no investments.

Company	Other investments other than loans £
Cost	
At 1 April 2015 and 31 March 2016	<u>101,650</u>
Impairment	
At 1 April 2015 and 31 March 2016	<u>—</u>
Carrying amount	
At 1 April 2015 and 31 March 2016	<u>101,650</u>

At the balance sheet date, the company owned 100% of the ordinary share capital of TWRC Limited. In addition, TWRC Limited owned 100% of the ordinary share capital of WRC(P) Limited. Both companies are incorporated in England and Wales.

14. STOCKS

	Group		Company	
	2016 £	2015 £	2016 £	2015 £
Goods for resale	<u>5,350</u>	<u>5,468</u>	<u>5,350</u>	<u>5,468</u>

15. DEBTORS

	Group		Company	
	2016 £	2015 £	2016 £	2015 £
Trade debtors	8,920	150,725	8,920	150,725
Amounts owed by group undertakings	—	—	224,836	209,106
Prepayments and accrued income	<u>26,046</u>	<u>7,775</u>	<u>26,046</u>	<u>7,775</u>
	<u>34,966</u>	<u>158,500</u>	<u>259,802</u>	<u>367,606</u>

16. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise the following:

	2016 £	2015 £
Cash at bank and in hand	20,225	11,344
Bank overdrafts	<u>(11,175)</u>	<u>(23,884)</u>
	<u>9,050</u>	<u>(12,540)</u>

WENSLEYDALE RAILWAY PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2016

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Debenture loans	25,700	32,200	—	—
Bank loans and overdrafts	26,165	38,432	11,501	25,515
Trade creditors	91,494	185,829	91,493	185,828
Amounts owed to group undertakings	—	—	129,938	143,065
Accruals and deferred income	82,396	141,672	67,661	123,446
Corporation tax	4,440	—	4,440	—
Social security and other taxes	20,881	36,882	20,881	36,882
Obligations under finance leases and hire purchase contracts	4,750	4,750	4,750	4,750
Other creditors	67,780	88,181	58,127	76,912
	<u>323,606</u>	<u>527,946</u>	<u>388,791</u>	<u>596,398</u>

18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Bank loans and overdrafts	199,155	214,102	—	—
Accruals and deferred income	297,377	282,553	297,377	282,553
Other creditors	22,737	15,885	22,737	15,885
	<u>519,269</u>	<u>512,540</u>	<u>320,114</u>	<u>298,438</u>

Included within creditors: amounts falling due after more than one year is an amount of £134,492 (2015: £151,249) in respect of liabilities payable or repayable by instalments which fall due for payment after more than five years from the reporting date.

Interest is charged on the bank loan at a variable rate of 2.5% above the base rate. The loan is repayable by monthly instalments and is due to be fully settled by February 2028.

19. FINANCE LEASES AND HIRE PURCHASE CONTRACTS

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Not later than 1 year	<u>4,750</u>	<u>4,750</u>	<u>4,750</u>	<u>4,750</u>

20. CALLED UP SHARE CAPITAL

Issued, called up and fully paid

	2016		2015	
	No	£	No	£
Ordinary shares of £1 each	<u>2,531,028</u>	<u>2,531,028</u>	<u>2,528,478</u>	<u>2,528,478</u>

WENSLEYDALE RAILWAY PLC
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2016

20. CALLED UP SHARE CAPITAL (CONTINUED)**Share movements**

	No	£
Ordinary		
At 1 April 2015	2,528,478	2,528,478
Issue of shares	2,550	2,550
At 31 March 2016	<u>2,531,028</u>	<u>2,531,028</u>

Ordinary shares were issued at par and fully paid.

As per the Articles of Association, shareholders are not entitled to a dividend. Other benefits, including travel and dining benefits, will be dependent on the level of subscription.

21. RESERVES

Revaluation reserve - This reserve records the value of asset revaluations and fair value movements on assets recognised in other comprehensive income, they are un-realised and non-distributable.

Profit and loss account - This reserve records retained earnings and accumulated losses and are realised except where specifically identified, and are distributable except where specifically identified as un-realised and non-distributable.

22. OPERATING LEASES

The total future minimum lease payments under non-cancellable operating leases are as follows:

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Not later than 1 year	1,920	1,920	1,920	1,920
Later than 5 years	<u>1,807,659</u>	<u>1,828,638</u>	<u>1,846,659</u>	<u>1,874,638</u>
	<u>1,809,579</u>	<u>1,830,558</u>	<u>1,848,579</u>	<u>1,876,558</u>

23. TRANSITION TO FRS 102

These are the first financial statements that comply with FRS 102. The group and the company transitioned to FRS 102 on 1 April 2014.

No transitional adjustments were required in equity or profit or loss for the year.