

Peak Rail Plc
Financial Statements
For
The Year Ended 31 December 2009

Company Registration Number 02071143

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COMPANIES HOUSE

BEEVER AND STRUTHERS
Chartered Accountants & Statutory Auditor
St George's House
215 - 219 Chester Road
Manchester
M15 4JE

Peak Rail Plc
Financial Statements
Year Ended 31 December 2009

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Peak Rail Plc
Officers and Professional Advisers

The Board of Directors

G Bennett
R A Raynor
J T Statham
R Hallatt
Dr T Tait

Company Secretary

R Horne

Registered Office

Matlock Station
Matlock
Derbyshire
DE4 3NA

Auditor

Beever and Struthers
Chartered Accountants
& Statutory Auditor
St George's House
215 - 219 Chester Road
Manchester
M15 4JE

Bankers

The Co-operative Bank plc
84 - 86 West Street
Sheffield
S1 3SX

Peak Rail Plc

Report of the Joint Managing Directors

Year Ended 31 December 2009

We are happy to be able to report to our shareholders that in spite of the economic downturn generally affecting the UK economy we have been able in some areas to curtail expenditure and increase turnover by £37,457 Train fares, shop sales and buffet/restaurant sales are all up on the corresponding figures for 2008

We would draw your attention to a reduction in administration and advertising and an increase in rent, rates, water and insurance The large increase in insurance is due to the fact that we increased our insurance liability from £5m to £10m

Donations are considerably down due to the fact that we had no large legacies in 2009 and included in this figure is £16,870 50 from the Peak Railway Association, proceeds of which have gone to finish the Engine Shed

In previous years there has been some speculation regarding costs involved in restoration of locomotives and rolling stock Both of these are included in "train costs" and not "repairs, maintenance and hire" This section relates to garden maintenance, loose tools, hire of equipment, plant and machinery repairs and consumables

So what has been achieved in 2009?

At the beginning of the year work commenced on dismantling the old toilet block on Rowsley Station and repositioning the shop Early February saw new facilities erected with volunteers and staff fitting out the toilets, ticket and station masters office and of course, a new shop The toilet block and exhibition was funded by the Peak Railway Association through a National lottery "Awards for All" grant with the Plc funding the remainder This building has been an immediate success in providing improved visitor facilities and increased shop sales

A concerted effort was also put into getting the down platform at Darley Dale up to the required standard for operating use The platform wall was refurbished, vegetation cleared, temporary surface laid and Midland Railway style fencing installed along with original ex Midland Railway lamp posts This latter work being funded by the Derwent and Wye Valley Railway Trust and further work is still ongoing This resulted in the first passenger train stopping at both platforms for many years

Santa Specials again brought in a large number of highly satisfied visitors to the railway with the 1940's weekend (in its 10th year) breaking all records In May, Stanier 8F (48624) moved under steam for the first time in preservation, which along with diesel events attracted good numbers

We are also extremely pleased to announce that agreement has been reached with Network Rail for Peak Rail to achieve a very long standing goal, that of operating trains into the down platform at Matlock Station and this must provide us with a unique commercial potential for the future developments

The project has been split into two sections – the first one being the re-connection of the line at Matlock Riverside to the national network To achieve this Network Rail have agreed to lease the track bed, to Peak Rail, from the Matlock down platform to Matlock Riverside As part of this agreement Peak Rail will have access to and be responsible for the upkeep of the line north of the new road bridge leading to Sainsbury's This saves Peak Rail considerable expense in re-aligning the line and not having to move Matlock Riverside platform

Peak Rail Plc

Report of the Joint Managing Directors (*continued*)

Year Ended 31 December 2009

This move forward gives Peak Rail the ability to further develop the railway's potential. We have already had exploratory talks with several Rail Tour providers regarding excursions to Rowsley and have had discussions with other tourist attractions in the area to establish an integrated approach to providing leisure activities to the 500 or so passengers such excursions will bring.

The turntable and engine shed give us the necessary facilities to "service" visiting locomotives and regular tours which will make Rowsley an exciting venue for both enthusiasts and tourists. Increased attendance will have positive outcome with extra funding ensuring further development and could place Peak Rail in the premier league of tour venues. We feel that Peak Rail needs to embrace the opportunity that the Matlock connection presents with both hands.

What will all this cost – Peak Rail will have to pay towards Network Rail's legal fees for completion of the lease, a yearly access charge of £400 and use of the down platform at a peppercorn rent of £1.00 per year. Refurbishment of the down platform will be at Peak Rail's expense and we are currently awaiting a reply from Derbyshire County Council regarding the possibility of some funding towards this. Previous funding of £25,000 has been withdrawn due to the fact that it had to be spent in the financial year 2008/9.

We would add that Peak Rail has HMRI agreement to operate into the Matlock Down Platform.

What about the future?

We feel that as shareholders you should be made aware that your Board of Directors has come under considerable criticism recently about its management of the railway and the lack of certain information it releases to shareholders and volunteers. This has mainly occurred through an independent "gossip group" set up on the internet, and is supported by a small but vociferous number of people some of whom remain anonymous.

Your Board fully appreciates how important it is to pass on information and we are happy to receive comments/constructive criticism. However this unofficial "gossip group" site has resulted in a vitriolic and spiteful attack on directors, staff and non-executive managers of the Plc. Internet groups are not the only way to pass positive and negative comments to the Plc Directors as all are present on the railway with regular frequency for face to face discussions. We are quite certain that you will appreciate that certain information will always remain confidential until such time that negotiations are complete and information can be disclosed to all parties and for this very reason our new website www.peakrail.co.uk has a section under the heading "Members Forum Group" which both shareholders and paid up members of the Peak Railway Association can join and receive up to date news and progress of the railway. If you wish to join please email peakrail@peakrail.co.uk giving your full name and address and you will be issued with a password.

Criticism has also been made about Peak Rail's Business Plan – "do we have one" the answer is "Yes".

Your Board feel that priority should be given to increasing revenue, improving visitor facilities, extending the railway northwards, finalise the extension of a new lease with Derbyshire Dales District Council, expand special events, provide a new building in the picnic area to serve as a training room and educational facilities for school groups and, of course, provision of a carriage restoration shed.

Peak Rail Plc

Report of the Joint Managing Directors (*continued*)

Year Ended 31 December 2009

A financial plan will need to be drawn up to undertake any extension of the line to Rowsley and this will fall into the remit of Paul Tomlinson. He will also be involved in talking to the Peak Park Planning Board regarding the proposed cycle track between Millers Dale and Bakewell and then from Bakewell to Matlock.

Continuity of management and good sound housekeeping is paramount in a heritage railway as in any other business, and even more so during these unprecedented recessionary times. Despite the opinions of the few disaffected people, your Board of Directors have made, and continue to make, all the necessary day to day decisions with the best welfare of the railway in mind, no matter how difficult, unpopular and even controversial these may seem at the time, in order to secure the best future of the railway.

We would like to thank all shareholders, volunteers and members of staff for their dedication and support throughout 2009. The Company has over 4,500 shareholders of whom less than 30 comprise the vociferous minority which is dissatisfied with the management. Please lend the management your support by either attending the Annual General Meeting on the 24th July or by using your proxy vote. Your Directors (all of whom are volunteers) work extremely hard for the railway and with your support may we continue to do so.

Peak Rail Plc
The Directors' Report
Year Ended 31 December 2009

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 December 2009

Principal Activities and Business Review

The principal activity of the company during the year was that of provision and management of railway and other transport services including retail trading and the provision of catering services

Results and Dividends

The profit for the year amounted to £22,986 The directors have not recommended a dividend

Directors

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

G Bennett
R A Raynor
J T Statham
R Hallatt
Dr T Tait

Policy on the Payment of Creditors

The companies policy is to settle terms and conditions of payments with suppliers It is company policy that payments are made in accordance with those terms and conditions, provided that it complies with its obligations in this regard

The trade creditor days of the company for the year ended 31 December 2009 were 55 days (2008 62 days)

Directors' Responsibilities

The directors are responsible for preparing the 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 company and of the profit or loss of the company for that period In preparing those financial statements, the directors are required to

Peak Rail Plc

The Directors' Report *(continued)*

Year Ended 31 December 2009

- select suitable accounting policies and then apply them consistently,
- make judgements and 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

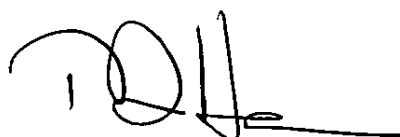
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies 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.

In so far as the directors are aware

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

Registered office
Matlock Station
Matlock
Derbyshire
DE4 3NA

Signed by order of the directors



R Horne
Company Secretary

Approved by the directors on 1 May 2010

Peak Rail Plc
Independent Auditor's Report to the Shareholders of
Peak Rail Plc
Year Ended 31 December 2009

We have audited the financial statements of Peak Rail Plc for the year ended 31 December 2009 on pages 9 to 22. 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 shareholders, as a body, in accordance with Chapter 3 of Section 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's shareholders 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 shareholders 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 set out on pages 5 to 6, 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 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 (APB'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 company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by directors, and the overall presentation of the financial statements.

Opinion on Financial Statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its 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

Peak Rail Plc

Independent Auditor's Report to the Shareholders of Peak Rail Plc *(continued)*

Year Ended 31 December 2009

Opinion on Other Matters Prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

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, or returns adequate for our audit have not been received from branches not visited by us, or
- the 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

St George's House
215 - 219 Chester Road
Manchester
M15 4JE

1 May 2010

IAIN ROUND (Senior Statutory
Auditor)
For and on behalf of
BEEVER AND STRUTHERS
Chartered Accountants
& Statutory Auditor

Beever and Struthers

Peak Rail Plc
Profit and Loss Account
Year Ended 31 December 2009

	Note	2009 £	2008 £
Turnover	2	302,841	265,384
Cost of sales		<u>100,440</u>	<u>97,741</u>
Gross profit		202,401	167,643
Administrative expenses		208,508	210,871
Other operating income	3	<u>(31,614)</u>	<u>(67,546)</u>
Operating profit	4	25,507	24,318
Interest payable and similar charges	6	2,521	3,443
Profit on ordinary activities before taxation		<u>22,986</u>	<u>20,875</u>
Tax on profit on ordinary activities		--	--
Profit for the financial year		<u>22,986</u>	<u>20,875</u>

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the
year as set out above

The notes on pages 13 to 22 form part of these financial statements

Peak Rail Plc

Note of Historical Cost Profits and Losses

Year Ended 31 December 2009

	2009	2008
	£	£
Reported profit on ordinary activities before taxation	22,986	20,875
Realisation of gains recognised in previous periods	61,942	61,942
Historical cost profit on ordinary activities before taxation	<u>84,928</u>	<u>82,817</u>
Historical cost profit for the year after taxation	<u>84,928</u>	<u>82,817</u>


The notes on pages 13 to 22 form part of these financial statements

Peak Rail Plc
Balance Sheet
31 December 2009

	Note	2009 £	2008 £
Fixed assets			
Tangible assets	7	1,071,543	1,050,237
Current assets			
Stocks	8	5,000	5,000
Debtors	9	3,783	11,667
Cash at bank and in hand		1,564	12,029
		<u>10,347</u>	<u>28,696</u>
Creditors: Amounts Falling due Within One Year	10	<u>88,348</u>	<u>100,056</u>
Net current liabilities		<u>(78,001)</u>	<u>(71,360)</u>
Total assets less current liabilities		<u>993,542</u>	<u>978,877</u>
Creditors: Amounts Falling due after More than One Year	11	47,074	51,591
Government grants	14	128,689	136,867
		<u>817,779</u>	<u>790,419</u>
Capital and reserves			
Called-up equity share capital	16	699,251	694,877
Revaluation reserve	17	61,942	61,942
Profit and loss account	17	56,586	33,600
Shareholders' funds	18	<u>817,779</u>	<u>790,419</u>

These financial statements were approved by the directors and authorised for issue on 1 May 2010, and are signed on their behalf by


J T Statham
Joint Managing Director


R Hallatt
Joint Managing Director

Company Registration Number 02071143

The notes on pages 13 to 22 form part of these financial statements.

Peak Rail Plc
Cash Flow Statement
Year Ended 31 December 2009

	Note	2009 £	£	2008 £	£
Net cash inflow from operating activities	19		44,397		88,237
Returns on investments and servicing of finance	19		(2,521)		(3,443)
Capital expenditure and financial investment	19		(60,236)		(114,211)
Cash outflow before financing			(18,360)		(29,417)
Financing	19		(2,810)		26,597
Decrease in cash	19		(21,170)		(2,820)

The notes on pages 13 to 22 form part of these financial statements.

Peak Rail Plc
Notes to the Financial Statements
Year Ended 31 December 2009

1. Accounting Policies

Basis of Accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets and in accordance with applicable accounting standards

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year for services provided, exclusive of Value Added Tax

Fixed Assets

All fixed assets are initially recorded at cost

Depreciation

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

Short Leasehold Property	- 2% on cost
Tools	- 25% on cost
Shop & Office Equipment	- 25% on cost
Rolling Stock	- 10% on cost
Buildings	- at varying rates on cost

Stocks

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

Hire Purchase Agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis

Financial Instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities

Capitalisation of Labour

Labour costs incurred that are directly attributable to bringing assets into working condition are capitalised

Peak Rail Plc

Notes to the Financial Statements

Year Ended 31 December 2009

1. Accounting Policies *(continued)*

Deferred Government Grants

Deferred government grants in respect of capital expenditure are treated as deferred income and are credited to the profit and loss account over the estimated useful life of the assets to which they relate

2. Turnover

The turnover and profit before tax are attributable to the one principal activity of the company
An analysis of turnover is given below

	2009 £	2008 £
United Kingdom	<u>302,841</u>	<u>265,384</u>

3. Other Operating Income

	2009 £	2008 £
Revenue donations	29,654	63,990
Sundry income	<u>1,960</u>	<u>3,556</u>
	<u>31,614</u>	<u>67,546</u>

4. Operating Profit

Operating profit is stated after charging/(crediting)

	2009 £	2008 £
Directors' remuneration	—	—
Amortisation of government grants re fixed assets	(8,178)	(8,178)
Depreciation of owned fixed assets	34,946	33,476
Depreciation of assets held under hire purchase agreements	3,750	3,750
Loss on disposal of fixed assets	234	—
Auditor's remuneration		
- as auditor	<u>3,685</u>	<u>3,650</u>

Peak Rail Plc

Notes to the Financial Statements

Year Ended 31 December 2009

5. Particulars of Employees

The average number of staff employed by the company during the financial year amounted to

	2009	2008
	No	No
Number of administrative staff	1	1
Number of shop staff	1	1
Number of construction, Labour & Engineering	4	4
	<u>6</u>	<u>6</u>

The aggregate payroll costs of the above were

	2009	2008
	£	£
Wages and salaries	90,282	85,567
Social security costs	6,425	5,845
	<u>96,707</u>	<u>91,412</u>

6. Interest Payable and Similar Charges

	2009	2008
	£	£
Interest payable on bank borrowing	1,879	2,801
Finance charges	642	642
	<u>2,521</u>	<u>3,443</u>

Peak Rail Plc

Notes to the Financial Statements

Year Ended 31 December 2009

7. Tangible Fixed Assets

	Freehold Property £	Short Leasehold Property £	Buildings £	Tools £	Other Assets £	Total £
Cost or valuation						
At 1 Jan 2009	120,000	833,560	468,894	80,887	182,747	1,686,088
Additions	–	52,368	–	–	7,869	60,237
Disposals	–	–	(460)	(1,252)	(1,061)	(2,773)
At 31 Dec 2009	<u>120,000</u>	<u>885,928</u>	<u>468,434</u>	<u>79,635</u>	<u>189,555</u>	<u>1,743,552</u>
Depreciation						
At 1 Jan 2009	–	158,492	237,796	72,894	166,669	635,851
Charge for the year	–	17,367	9,498	3,938	7,894	38,697
On disposals	–	–	(227)	(1,251)	(1,061)	(2,539)
At 31 Dec 2009	<u>–</u>	<u>175,859</u>	<u>247,067</u>	<u>75,581</u>	<u>173,502</u>	<u>672,009</u>
Net book value						
At 31 Dec 2009	<u>120,000</u>	<u>710,069</u>	<u>221,367</u>	<u>4,054</u>	<u>16,053</u>	<u>1,071,543</u>
At 31 Dec 2008	<u>120,000</u>	<u>675,068</u>	<u>231,098</u>	<u>7,993</u>	<u>16,078</u>	<u>1,050,237</u>

The land included within Freehold Property was valued on 3 January 2007 at market value by Hale and Saunders Chartered Surveyors

On a historical cost basis the land at Buxton would have been included at a cost of £65,790

Hire purchase agreements

Included within the net book value of £1,071,543 is £3,750 (2008 - £7,500) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £3,750 (2008 - £3,750)

8. Stocks

	2009 £	2008 £
Stock	3,500	3,500
Raw materials	1,500	1,500
	<u>5,000</u>	<u>5,000</u>

Peak Rail Plc

Notes to the Financial Statements

Year Ended 31 December 2009

9. Debtors

	2009	2008
	£	£
Trade debtors	674	3,225
Other debtors	482	5,815
Prepayments and accrued income	2,627	2,627
	<u>3,783</u>	<u>11,667</u>

10. Creditors: Amounts Falling due Within One Year

	2009	2008
	£	£
Bank loans and overdrafts	15,496	4,791
Trade creditors	39,621	50,225
Other creditors including taxation and social security		
Other taxation and social security	1,562	3,404
Hire purchase agreements	1,333	4,000
Other creditors	1,676	1,676
Deferred government grants	8,178	8,178
	<u>67,866</u>	<u>72,274</u>
Accruals and deferred income	20,482	27,782
	<u>88,348</u>	<u>100,056</u>

Hire purchase contracts are secured on the assets to which they relate

The bank loan, included in bank loans and overdrafts, amounting to £4,791 (2008 £4,791) bears interest at 3% per annum above the bank's base rate

The loan is secured by a debenture in the name of Peak Rail plc, incorporating a fixed and floating charge over the assets of the company and a first legal charge over unregistered freehold property known as Land at Midland Station Buildings, Buxton, Midland Station, Derbyshire

Peak Rail Plc

Notes to the Financial Statements

Year Ended 31 December 2009

11. Creditors: Amounts Falling due after More than One Year

	2009	2008
	£	£
Bank loans	40,434	43,618
Other creditors		
Hire purchase agreements	—	1,333
Loan stock	6,640	6,640
	<u>47,074</u>	<u>51,591</u>

The bank loan amounting to £40,434 (2008 £43,618) bears interest at 3% per annum above the bank's base rate

The loan is secured by a debenture in the name of Peak Rail plc, incorporating a fixed and floating charge over the assets of the company and a first legal charge over unregistered freehold property known as Land at Midland Station Buildings, Buxton, Midland Station, Derbyshire

The following aggregate liabilities disclosed under creditors falling due after more than one year are due for repayment after more than five years from the balance sheet date

	2009	2008
	£	£
Bank loans	<u>9,864</u>	<u>17,423</u>

12. Creditors - Capital Instruments

Creditors include finance capital which is due for repayment as follows

	2009	2008
	£	£
Amounts repayable		
In one year or less or on demand	6,587	4,791
In more than one year but not more than two years	6,821	6,587
In more than two years but not more than five years	21,953	19,608
In more than five years	9,864	17,423
	<u>45,225</u>	<u>48,409</u>

Peak Rail Plc
Notes to the Financial Statements
Year Ended 31 December 2009

13. Commitments under Hire Purchase Agreements

Future commitments under hire purchase agreements are as follows

	2009	2008
	£	£
Amounts payable within 1 year	1,333	4,000
Amounts payable between 2 to 5 years	-	1,333
	<u>1,333</u>	<u>5,333</u>

14. Government Grants

	2009	2008
	£	£
Received and receivable:		
At 1 Jan 2009	153,223	153,223
At 31 Dec 2009	<u>153,223</u>	<u>153,223</u>
Amortisation:		
At 1 Jan 2009	16,356	8,178
Credit to profit and loss account	8,178	8,178
At 31 Dec 2009	<u>24,534</u>	<u>16,356</u>
Net balance at 31 Dec 2009	<u>128,689</u>	<u>136,867</u>

15. Related Party Transactions

There were no related party transactions during the year

16. Share Capital

Authorised share capital:

	2009	2008
	£	£
5,000,000 Ordinary shares of £1 each	<u>5,000,000</u>	<u>5,000,000</u>

Allotted, called up and fully paid:

	2009	2008
	No	No
	£	£
699,251 Ordinary shares (2008 - 694,877) of £1 each	<u>699,251</u>	<u>694,877</u>

Peak Rail Plc

Notes to the Financial Statements

Year Ended 31 December 2009

16. Share Capital *(continued)*

4,374 ordinary £1 shares were issued at par during the year. These shares were issued to enable the company to continue its capital expenditure programme.

17. Reserves

	Revaluation reserve £	Profit and loss account £
Balance brought forward	61,942	33,600
Profit for the year	—	22,986
Balance carried forward	<u>61,942</u>	<u>56,586</u>

18. Reconciliation of Movements in Shareholders' Funds

	2009 £	2008 £
Profit for the financial year	22,986	20,875
New ordinary share capital subscribed	4,374	2,597
Net addition to shareholders' funds	<u>27,360</u>	<u>23,472</u>
Opening shareholders' funds	790,419	766,947
Closing shareholders' funds	<u>817,779</u>	<u>790,419</u>

19. Notes to the Cash Flow Statement

Reconciliation of Operating Profit to Net Cash Inflow from Operating Activities

	2009 £	2008 £
Operating profit	25,507	24,318
Depreciation	38,696	37,226
Loss on disposal of fixed assets	234	—
Amortisation of government grants	(8,178)	(8,178)
Decrease/(increase) in debtors	7,884	(2,979)
(Decrease)/increase in creditors	<u>(19,746)</u>	<u>37,850</u>
Net cash inflow from operating activities	<u>44,397</u>	<u>88,237</u>

Peak Rail Plc
Notes to the Financial Statements
Year Ended 31 December 2009

19. Notes to the Cash Flow Statement *(continued)*

Returns on Investments and Servicing of Finance

	2009	2008
	£	£
Interest paid	(1,879)	(2,801)
Interest element of hire purchase	<u>(642)</u>	<u>(642)</u>
Net cash outflow from returns on investments and servicing of finance	<u>(2,521)</u>	<u>(3,443)</u>

Capital Expenditure

	2009	2008
	£	£
Payments to acquire tangible fixed assets	(60,237)	(114,211)
Receipts from sale of fixed assets	<u>1</u>	<u>—</u>
Net cash outflow from capital expenditure	<u>(60,236)</u>	<u>(114,211)</u>

Financing

	2009	2008
	£	£
Issue of equity share capital	4,374	2,597
(Repayment of)/increase in bank loans	(3,184)	28,000
Capital element of hire purchase	<u>(4,000)</u>	<u>(4,000)</u>
Net cash (outflow)/inflow from financing	<u>(2,810)</u>	<u>26,597</u>

Reconciliation of Net Cash Flow to Movement in Net Debt

	2009		2008	
	£	£	£	£
Decrease in cash in the period	(21,170)		(2,820)	
Net cash outflow from/(inflow) from bank loans	3,184		(28,000)	
Cash outflow in respect of hire purchase	<u>4,000</u>		<u>4,000</u>	
	<u>(13,986)</u>		<u>(26,820)</u>	
Change in net debt	<u>(13,986)</u>		<u>(26,820)</u>	
Net debt at 1 January 2009	<u>(56,531)</u>		<u>(29,711)</u>	
Net debt at 31 December 2009	<u>(70,517)</u>		<u>(56,531)</u>	

Peak Rail Plc

Notes to the Detailed Profit and Loss Account

Year Ended 31 December 2009

	2009		2008	
	£	£	£	£
Analysis of Changes in Net Debt				
	At 1 Jan 2009 £	Cash flows £	At 31 Dec 2009 £	
Net cash				
Cash in hand and at bank	12,029	(10,465)	1,564	
Overdrafts	–	(10,705)	(10,705)	
	<u>12,029</u>	<u>(21,170)</u>	<u>(9,141)</u>	
Debt				
Debt due within 1 year	(12,969)	–	(12,969)	
Debt due after 1 year	(50,258)	3,184	(47,074)	
Hire purchase agreements	(5,333)	4,000	(1,333)	
	<u>(68,560)</u>	<u>7,184</u>	<u>(61,376)</u>	
Net debt	<u>(56,531)</u>	<u>(13,986)</u>	<u>(70,517)</u>	

20. Controlling Party

The company is not considered to be under the control of any one individual

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