

**Peak Rail Plc**  
**Financial Statements**  
**For**  
**The Year Ended 31 December 2010**



**Company Registration Number 02071143**

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

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**Peak Rail Plc**  
**Officers and Professional Advisers**

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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  
P Tomlinson

**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 2010**

Throughout 2010 the Board have painstakingly continued to develop the Matlock Project. Negotiations with Network Rail progressed in order to sign all relevant outstanding agreements. Ground work began in February 2010 with the removal of vegetation from the Cawdor Quarry side at Matlock Riverside, followed with the re-alignment of the run round loop necessitated by the proposed connection to Network Rail. Work continued throughout the year and in late November the project took a major step forward with the completion of the point work whilst at the same time the S & T Department started to install the necessary equipment. Bad weather did affect progress in the early part of 2011 however March was a frantic month which saw the completion of the drainage system, shoring up the retaining wall, the laying of the first load of ballast, pegging out the alignment of the line, laying of concrete sleepers and track thus taking us up to the Network Rail boundary.

Land issues between other parties delayed further progress but on the 28th April 2011 our dream was realised with the reconnection of the line between Peak Rail and Network Rail. On the 5th May HMRI inspected the new connection, which had been laid by volunteers and paid staff. It passed with flying colours and the work signed off for full use. HMRI was most complimentary of the quality of work which we had achieved. It goes without saying that this great milestone in Peak Rail's history, would not have been successful without the loyal and continuing support of its volunteers, shareholders and members.

There have been many frustrations along the way, many broken promises, many negotiations and re-negotiations but at last we have achieved one of our life long ambitions of being able to operate train services into Platform 2 at Matlock Station.

By way of thanks for your continued loyalty, the Directors would like to formally invite you to the opening of Matlock Station details which you will find on page 28. We do hope you will be able to join us on this historic occasion.

The year saw profitability slightly down on the previous year but was nevertheless satisfactory in view of the current economic climate. 2010 saw a cost increase in the amount of rent and rates we pay to operate the line together with other overheads such as water, electricity and coal. Commercially it is pleasing to report another successful year which saw passenger ticket sales set a new train income record with mid week operating seeing a vast increase from June to early September. Coach operators were in abundance throughout the year and one day alone we had 20 coaches lined up in the car park at Rowsley. The 1940's weekend saw the Sunday as one of the busiest days on Peak Rail and Santa Specials, as always, continuing to be a "crowd puller" in spite of the adverse weather conditions.

During the early summer the workshops which have served us well at Darley Dale were closed and all equipment and rolling stock was relocated to the new Rowsley Shed. Since this move the engineering work force has been able to gather the pace on the repair of steam locomotive 7597 Zebedee. The locomotive has been re-wheeled, a new bunker has been fabricated and current work is focusing on the overhaul of the motion and creation of new side tanks.

To ease the burden on longer term stalwart 68013 Royal Pioneer the Directors are pleased to announce they have secured on a long term contract another 0-6-0 saddle tank which arrived at Peak Rail on the 1st April 2011. The locomotive named Lord Phil went into service for the first time on the 14th May when it appeared as the star attraction at our Diesel and Steam Weekend. With two working steam locomotives plus another one back in service soon the future of steam at Peak Rail is secure.

During 2010 following efforts by many people, the turntable was completed and tested, ready for use. It is an excellent historic addition to the railway and admired by many visitors.

## **Peak Rail Plc**

### **Report of the Joint Managing Directors *(continued)***

#### **Year Ended 31 December 2010**

With the engine shed now fully operational, the Directors were approached in January 2011 by testing company Sperry Rail to rent part of the engine shed to house their ultrasonic testing machine and provide testing facilities on our main line Sperry Rail paying a hire fee to the company

Now that Paul Tomlinson is firmly back in the saddle has has been heavily involved in discussions relating to the future expansion of the railway to Rowsley and beyond A new key element in the overall future plan has emerged in the form of Peak Cycle Links, an organisation who have been working with the local authorities to connect the existing Monsal, High Peak and Tissington Trails to form a gigantic cycleway covering a large part of Derbyshire As their proposals involved utilising a large section of the former Matlock – Buxton railway line discussions with them have established a willingness to co-operated in order to achieve our mutual objectives An engineering study has established that there is just sufficient room at Rowsley to enable a re-constructed railway and cycleway to co-exist Subsequently, talks have commenced with officers of the Peak District national Park Authority who have similarly indicated that whilst supporting the cycle scheme nothing will be done which in any way jeopardises the possibility of Peak Rail re-establishing the route as a heritage railway Indeed, their wish is to see the two schemes co-exist and interact, sharing facilities in a way that will be beneficial to all parties

The land which we still own at Buxton Station site has suddenly become a “live” issue due to the possible sale of the Buxton Mineral Water site to one of the leading Supermarket chains Tesco This would lead to a major development of the land around what remains of our formal railway centre Meetings have commenced with all interested parties to determine what the impact will be on our land, and the possibilities which might arise for us to revive the site that has been dormant for almost 20 years

After the opening of the Matlock extension we will be turning our efforts to one of the more necessary tasks that of reinstating the original buildings which were once part of the attractiveness of Matlock Station The Peak Railway Association will this year be turning their efforts to raising money via the raffle tickets enclosed with this report, and the Derwent and Wye Valley Railway Trust (DWVRT) are providing the lamps, seating, running in boards and totems

From the Company’s point of view it is our firm intention to target any moneys raised through the further sales of shares into this project and also to enable preliminary work to commence on the extension to Rowsley If you would like to make a real contribution to drive these scheme forward please purchase further shares, join our Share Club or even make a donation

The Board would be most grateful if all shareholders would support the railway by attending the AGM or by using the proxy form included in this report We thank you all for your continued support and look forward to seeing you at the railway in 2011

**Roger Hallatt**  
**Jackie Statham**  
**Joint Managing Directors**  
**May 2011**

**Peak Rail Plc**  
**The Directors' Report**  
**Year Ended 31 December 2010**

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 December 2010

**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 £18,182 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  
P Tomlinson

P Tomlinson was appointed as a director on 5 March 2010

Dr T Tait retired as a director on 19 July 2010

**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 2010 were 43 days (2009 55 days)

# Peak Rail Plc

## The Directors' Report *(continued)*

Year Ended 31 December 2010

### 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

- 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

6/5/11

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**Peak Rail Plc**  
**Independent Auditor's Report to the Shareholders of**  
**Peak Rail Plc**  
**Year Ended 31 December 2010**

We have audited the financial statements of Peak Rail Plc for the year ended 31 December 2010 on pages 8 to 21. 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 Part 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 page 5, the directors are responsible for the preparation of the Annual Report, 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 (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 2010 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 2010**


#### **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

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

**Peak Rail Plc**  
**Profit and Loss Account**  
**Year Ended 31 December 2010**

	Note	2010 £	2009 £
<b>Turnover</b>	2	309,731	302,841
Cost of sales		94,980	100,439
<b>Gross profit</b>		<u>214,751</u>	<u>202,402</u>
Administrative expenses		217,152	208,509
Other operating income	3	(22,398)	(31,614)
<b>Operating profit</b>	4	<u>19,997</u>	<u>25,507</u>
Interest payable and similar charges	6	1,815	2,521
<b>Profit on ordinary activities before taxation</b>		<u>18,182</u>	<u>22,986</u>
Tax on profit on ordinary activities		—	—
<b>Profit for the financial year</b>		<u>18,182</u>	<u>22,986</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 12 to 21 form part of these financial statements

## **Peak Rail Plc**

### **Note of Historical Cost Profits and Losses**

**Year Ended 31 December 2010**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Reported profit on ordinary activities before taxation	<b>18,182</b>	<b>22,986</b>
Realisation of gains recognised in previous periods	<b>61,942</b>	<b>61,942</b>
Historical cost profit on ordinary activities before taxation	<b><u>80,124</u></b>	<b><u>84,928</u></b>
Historical cost profit for the year after taxation	<b><u>80,124</u></b>	<b><u>84,928</u></b>

The notes on pages 12 to 21 form part of these financial statements

**Peak Rail Plc**  
**Balance Sheet**  
**31 December 2010**

	Note	2010 £	2009 £
<b>Fixed assets</b>			
Tangible assets	7	1,055,379	1,071,543
<b>Current assets</b>			
Stocks	8	5,000	5,000
Debtors	9	13,393	3,783
Cash in hand		1,795	1,564
		<u>20,188</u>	<u>10,347</u>
<b>Creditors: Amounts Falling due Within One Year</b>	10	<u>73,925</u>	<u>88,348</u>
<b>Net current liabilities</b>		<u>(53,737)</u>	<u>(78,001)</u>
<b>Total assets less current liabilities</b>		<u>1,001,642</u>	<u>993,542</u>
<b>Creditors: Amounts Falling due after More than One Year</b>	11	40,616	47,074
Government grants	14	120,511	128,689
		<u>840,515</u>	<u>817,779</u>
<b>Capital and reserves</b>			
Called-up equity share capital	16	703,805	699,251
Revaluation reserve	17	61,942	61,942
Profit and loss account	17	74,768	56,586
<b>Shareholders' funds</b>	18	<u>840,515</u>	<u>817,779</u>

These financial statements were approved by the directors and authorised for issue on 6/5/11, 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 12 to 21 form part of these financial statements

**Peak Rail Plc**  
**Cash Flow Statement**  
**Year Ended 31 December 2010**

	Note	2010 £	£	2009 £	£
<b>Net cash inflow from operating activities</b>	19		<b>24,343</b>		<b>44,397</b>
<b>Returns on investments and servicing of finance</b>	19		<b>(1,815)</b>		<b>(2,521)</b>
<b>Capital expenditure and financial investment</b>	19		<b>(22,593)</b>		<b>(60,236)</b>
<b>Cash outflow before financing</b>			<b>(65)</b>		<b>(18,360)</b>
<b>Financing</b>	19		<b>(3,237)</b>		<b>(2,810)</b>
<b>Decrease in cash</b>	19		<b><u>(3,302)</u></b>		<b><u>(21,170)</u></b>

The notes on pages 12 to 21 form part of these financial statements

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# **Peak Rail Plc**

## **Notes to the Financial Statements**

**Year Ended 31 December 2010**

### **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 2010

### 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

	2010 £	2009 £
United Kingdom	<u>309,731</u>	<u>302,841</u>

### 3. Other Operating Income

	2010 £	2009 £
Revenue donations	16,908	29,654
Sundry income	<u>5,490</u>	<u>1,960</u>
	<u>22,398</u>	<u>31,614</u>

### 4. Operating Profit

Operating profit is stated after charging/(crediting)

	2010 £	2009 £
Directors' remuneration	—	—
Amortisation of government grants re fixed assets	(8,178)	(8,178)
Depreciation of owned fixed assets	38,757	34,947
Depreciation of assets held under hire purchase agreements	—	3,750
Loss on disposal of fixed assets	—	234
Auditor's remuneration	<u>4,050</u>	<u>3,685</u>
	2010 £	2009 £
Auditor's remuneration - audit of the financial statements	<u>4,050</u>	<u>3 685</u>

**Peak Rail Plc**  
**Notes to the Financial Statements**  
**Year Ended 31 December 2010**

**5 Particulars of Employees**

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

	<b>2010</b>	<b>2009</b>
	<b>No</b>	<b>No</b>
Number of administrative staff	<b>1</b>	<b>1</b>
Number of shop staff	<b>1</b>	<b>1</b>
Number of construction, Labour & Engineering	<b>4</b>	<b>4</b>
	<u><b>6</b></u>	<u><b>6</b></u>

The aggregate payroll costs of the above were

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>95,111</b>	<b>90,282</b>
Social security costs	<b>6,866</b>	<b>6,425</b>
	<u><b>101,977</b></u>	<u><b>96,707</b></u>

**6. Interest Payable and Similar Charges**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Interest payable on bank borrowing	<b>1,542</b>	<b>1,879</b>
Finance charges	<b>273</b>	<b>642</b>
	<u><b>1,815</b></u>	<u><b>2,521</b></u>



**Peak Rail Plc**  
**Notes to the Financial Statements**  
**Year Ended 31 December 2010**

**7. Tangible Fixed Assets**

	<b>Freehold Property £</b>	<b>Short Leasehold Property £</b>	<b>Buildings £</b>	<b>Tools £</b>	<b>Other Assets £</b>	<b>Total £</b>
<b>Cost or valuation</b>						
At 1 Jan 2010	120,000	885,928	468,434	79,635	189,555	1,743,552
Additions	–	21,057	–	623	913	22,593
<b>At 31 Dec 2010</b>	<b>120,000</b>	<b>906,985</b>	<b>468,434</b>	<b>80,258</b>	<b>190,468</b>	<b>1,766,145</b>
<b>Depreciation</b>						
At 1 Jan 2010	–	175,859	247,067	75,581	173,502	672,009
Charge for the year	–	18,140	9,094	3,938	7,585	38,757
<b>At 31 Dec 2010</b>	<b>–</b>	<b>193,999</b>	<b>256,161</b>	<b>79,519</b>	<b>181,087</b>	<b>710,766</b>
<b>Net book value</b>						
<b>At 31 Dec 2010</b>	<b>120,000</b>	<b>712,986</b>	<b>212,273</b>	<b>739</b>	<b>9,381</b>	<b>1,055,379</b>
At 31 Dec 2009	120,000	710,069	221,367	4,054	16,053	1,071,543

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 £1,055,379 is £Nil (2009 - £3,750) 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 £Nil (2009 - £3,750)

**8. Stocks**

	<b>2010 £</b>	<b>2009 £</b>
Stock	3,500	3,500
Raw materials	1,500	1,500
	<b>5,000</b>	<b>5,000</b>

**Peak Rail Plc**  
**Notes to the Financial Statements**  
**Year Ended 31 December 2010**

**9. Debtors**

	2010	2009
	£	£
Trade debtors	3,369	674
Other debtors	617	482
Prepayments and accrued income	9,407	2,627
	<u>13,393</u>	<u>3,783</u>

**10. Creditors: Amounts Falling due Within One Year**

	2010	2009
	£	£
Bank loans and overdrafts	19,029	15,496
Trade creditors	31,798	39,621
Other creditors including taxation and social security		
Other taxation and social security	2,815	1,562
Hire purchase agreements	–	1,333
Other creditors	1,676	1,676
Deferred government grants	8,178	8,178
	<u>63,496</u>	<u>67,866</u>
Accruals and deferred income	10,429	20,482
	<u>73,925</u>	<u>88,348</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 (2009 - £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 2010

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

	2010	2009
	£	£
Bank loans	33,976	40,434
Other creditors		
Loan stock	6,640	6,640
	<u>40,616</u>	<u>47,074</u>

The bank loan amounting to £33,976 (2009 - £40,434) 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

	2010	2009
	£	£
Bank loans	<u>(2,149)</u>	<u>(9,864)</u>

### 12. Creditors - Capital Instruments

Creditors include finance capital which is due for repayment as follows

	2010	2009
	£	£
Amounts repayable		
In one year or less or on demand	6,821	6,587
In more than one year but not more than two years	7,063	6,821
In more than two years but not more than five years	22,734	21,953
In more than five years	2,149	9,864
	<u>38,767</u>	<u>45,225</u>

### 13. Commitments under Hire Purchase Agreements

Future commitments under hire purchase agreements are as follows

	2010	2009
	£	£
Amounts payable within 1 year	-	1,333
	<u>-</u>	<u>1,333</u>

**Peak Rail Plc**  
**Notes to the Financial Statements**  
**Year Ended 31 December 2010**

**14. Government Grants**

	2010 £	2009 £
<b>Received and receivable:</b>		
At 1 Jan 2010	153,223	153,223
At 31 Dec 2010	<u>153,223</u>	<u>153,223</u>
<b>Amortisation:</b>		
At 1 Jan 2010	24,534	16,356
Credit to profit and loss account	8,178	8 178
At 31 Dec 2010	<u>32,712</u>	<u>24,534</u>
Net balance at 31 Dec 2010	<u>120,511</u>	<u>128,689</u>

**15. Related Party Transactions**

There were no related party transactions during the year

**16. Share Capital**

**Authorised share capital:**

	2010 £	2009 £
5,000,000 Ordinary shares of £1 each	<u>5,000,000</u>	<u>5,000,000</u>

**Allotted, called up and fully paid:**

	2010 No	£	2009 No	£
703,805 Ordinary shares (2009 - 699,251) of £1 each	<u>703,805</u>	<u>703,805</u>	<u>699,251</u>	<u>699,251</u>

4 554 ordinary £1 shares were issued at par during the year. These shares were issued to enable the company to continue its capital expenditure programme.

# Peak Rail Plc

## Notes to the Financial Statements

Year Ended 31 December 2010

### 17. Reserves

	Revaluation reserve	Profit and loss account
	£	£
Balance brought forward	61,942	56,586
Profit for the year	–	18,182
Balance carried forward	<u>61,942</u>	<u>74,768</u>

### 18. Reconciliation of Movements in Shareholders' Funds

	2010	2009
	£	£
Profit for the financial year	18,182	22,986
New ordinary share capital subscribed	<u>4,554</u>	<u>4,374</u>
Net addition to shareholders' funds	22,736	27,360
Opening shareholders' funds	<u>817,779</u>	<u>790,419</u>
Closing shareholders' funds	<u>840,515</u>	<u>817,779</u>

### 19. Notes to the Cash Flow Statement

#### Reconciliation of Operating Profit to Net Cash Inflow from Operating Activities

	2010	2009
	£	£
Operating profit	19,997	25,507
Depreciation	38,757	38,696
Loss on disposal of fixed assets	–	234
Amortisation of government grants	(8,178)	(8,178)
(Increase)/decrease in debtors	(9,610)	7,884
Decrease in creditors	<u>(16,623)</u>	<u>(19,746)</u>
Net cash inflow from operating activities	<u>24,343</u>	<u>44,397</u>

#### Returns on Investments and Servicing of Finance

	2010	2009
	£	£
Interest paid	(1,542)	(1,879)
Interest element of hire purchase	<u>(273)</u>	<u>(642)</u>
Net cash outflow from returns on investments and servicing of finance	<u>(1,815)</u>	<u>(2,521)</u>

**Peak Rail Plc**  
**Notes to the Financial Statements**  
**Year Ended 31 December 2010**

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

**Capital Expenditure**

	2010 £	2009 £
Payments to acquire tangible fixed assets	(22,593)	(60,237)
Receipts from sale of fixed assets	—	1
Net cash outflow from capital expenditure	<u>(22,593)</u>	<u>(60,236)</u>

**Financing**

	2010 £	2009 £
Issue of equity share capital	4,554	4,374
Repayment of bank loans	(6,458)	(3,184)
Capital element of hire purchase	(1,333)	(4,000)
Net cash outflow from financing	<u>(3,237)</u>	<u>(2,810)</u>

**Reconciliation of Net Cash Flow to Movement in Net Debt**

	2010 £	£	2009 £	£
Decrease in cash in the period	(3,302)		(21,170)	
Net cash outflow from bank loans	6,458		3,184	
Cash outflow in respect of hire purchase	<u>1,333</u>		<u>4,000</u>	
		<u>4,489</u>		<u>(13,986)</u>
Change in net debt		4,489		(13,986)
Net debt at 1 January 2010		<u>(70,517)</u>		<u>(56,531)</u>
Net debt at 31 December 2010		<u>(66,028)</u>		<u>(70,517)</u>

# Peak Rail Plc

## Notes to the Detailed Profit and Loss Account

Year Ended 31 December 2010

	2010		2009
	£	£	£
<b>Analysis of Changes in Net Debt</b>			
	At 1 Jan 2010 £	Cash flows £	At 31 Dec 2010 £
Net cash			
Cash in hand and at bank	1,564	231	1,795
Overdrafts	(10,705)	(3,533)	(14,238)
	<u>(9,141)</u>	<u>(3,302)</u>	<u>(12,443)</u>
Debt			
Debt due within 1 year	(12,969)	—	(12,969)
Debt due after 1 year	(47,074)	6,458	(40,616)
Hire purchase agreements	(1,333)	1,333	—
	<u>(61,376)</u>	<u>7,791</u>	<u>(53,585)</u>
Net debt	<u>(70,517)</u>	<u>4,489</u>	<u>(66,028)</u>

### 20. Controlling Party

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

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