

**THE RAILWAY DEVELOPMENT SOCIETY  
LIMITED**

**Annual Report  
and  
Financial Statements**

**For the year ended  
31<sup>st</sup> December 2005**



**A Company Limited by Guarantee  
Registered in England and Wales No: 5011634**

# **THE RAILWAY DEVELOPMENT SOCIETY LTD**

## **Annual Report and Financial Statements** **For the Year Ended 31 December 2005**

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## **NOTICE OF ANNUAL GENERAL MEETING**

NOTICE IS HEREBY GIVEN that the Second Annual General Meeting of  
**The Railway Development Society Limited** will be held at  
**STEAM Museum, Kemble Drive, Swindon SN2 2TA**  
at 11.00am on Saturday 6<sup>th</sup> May 2006

### **AGENDA**

**10.00-11.00 Registration** (and issue of lunch tickets to those who have booked)  
(Tea/Coffee available from 10.00)

#### **11.00 Morning Session**

1. Chairman's Welcome
2. Welcome: The Worshipful the Mayor of Swindon.  
Councillor Ray Fisher
3. Apologies for Absence
4. Guest Speakers: Mr Chris Irwin, Chair SW Public Transport Users' Forum  
(SW PTUF) and member, European Rail Agency  
"Fighting the Passenger's Corner"  
Glenda Lamont, Commercial Director from First Great Western  
Followed by questions

After questions, Mr Jerry Alderson will speak briefly on "*The Railfuture Business Plan*"

**12.30 – 13.30 L U N C H** (BY PREPAID TICKET ONLY)

#### **13.30 Afternoon Session**

1. Welcome:
2. To read and approve the Minutes of the First Annual General Meeting of The Railway Development Society Ltd held on Saturday 7<sup>th</sup> May 2005.
3. Matters Arising from the Minutes.
4. President's Address
5. Chairman's Report
6. To receive the Annual Report and Financial Statements for the year ended 31<sup>st</sup> December 2005.
7. Reporting Accountant's Report
8. Appointment of Reporting Accountant
9. Returning Officers' report of nominations for National Officers and Directors.  
(note – there were insufficient nominations to require a ballot).
10. Election of President and Vice-Presidents
11. Motions – to consider motions on RDS policy, strategy and organisation.  
(Note: No motions relating to the Constitution are scheduled for debate at this AGM).

By Order of the Board  
18a Grantham Road  
Bracebridge Heath  
Lincoln  
LN4 2LD

C A LINGARD  
Company Secretary  
3<sup>rd</sup> April 2006

## **THE RAILWAY DEVELOPMENT SOCIETY LTD**

### **Legal and Administrative Information** **For the Year Ended 31 December 2005**

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**Directors:** M G Crowhurst (Chairman)  
R G King (Vice-Chairman)  
A F Sheward (Treasurer to 7.5.2005)  
D J Harby (Membership Secretary)  
J C Alderson (from 7.5.2005)  
P N K Bissatt (from 7.5.2005)  
N H Bradbury  
K F Dyall (to 7.5.2005)  
T J Garrod (from 7.5.2005)  
H T Jones  
P Kenyon (to 7.5.2005)  
A D MacFarlane  
I F S McDonald  
R L Pittard  
R H Pout (to 7.5.2005)  
D J Redgewell  
H F Thomas (to 7.5.2005)  
C C Zilahi (from 7.5.2005)

**Company Secretary:** C A Lingard

**Registered Office:** 18a Grantham Road  
Bracebridge Heath  
Lincoln  
LN4 2LD

**Reporting  
Accountant:** D Harrison

# **THE RAILWAY DEVELOPMENT SOCIETY LTD**

## **Directors' Report**

**For the Year Ended 31 December 2005**

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The Directors present their report with the financial statements of the Company for the year ended 31 December 2005.

### **Review of Activities**

The Board of Directors met 6 times in 2005, as follows:

Saturday 8<sup>th</sup> January 2005  
Saturday 12<sup>th</sup> March 2005  
Saturday 21<sup>st</sup> May 2005  
Saturday 16<sup>th</sup> July 2005  
Saturday 10<sup>th</sup> September 2005  
Saturday 12<sup>th</sup> November 2005

Subjects discussed were many and varied but centred around the following 'core' matters:

- \* Campaigning
- \* Marketing
- \* Fundraising
- \* Membership
- \* Publicity
- \* Policy
- \* Finance
- \* Conferences and Meetings
- \* National Office
- \* Staff
- \* Business Plan
- \* Branch Matters
- \* Committee Matters

Where appropriate, matters were delegated for further consideration and action to the following Specialist Committees:

- \* Internal Affairs
- \* Freight Service & Development
- \* Policy, Lobbying & Campaigns
- \* International & EU
- \* Passenger
- \* Network Development (formerly Reopenings)
- \* *Railwatch* Editorial Board

## **THE RAILWAY DEVELOPMENT SOCIETY LTD**

### **Directors' Report**

**For the Year Ended 31 December 2005**

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#### **Results for the Year**

The Directors are pleased to report a surplus after tax on the Profit and Loss Account of £9,394 compared to a deficit of £37,750 in 2004. The net assets of the Company rose by £9,395 primarily as a result of this surplus.

Income from subscriptions, donations and campaigning increased from £41,938 to £56,633. Of special note was a successful campaign appeal to members for donations to a *Fighting Fund* in anticipation of a need for funds to fight cutbacks in, and withdrawal of, services. The main reason for a welcome increase in subscription income was special attention being given to chasing up overdue subscription renewals.

Operating and administration expenses have fallen from £66,765 to £38,446. Savings have come from closing the office in London. The figure for 2004 included around £10,000 of costs associated with the employment of a part-time fund raiser on a six month contract. Some of the £1983 increase in AGM costs are additional costs associated with the incorporation of the Company. Printing costs have risen due to a more detailed Annual Report and Financial Statement being required. Also, in previous years the accounts have usually been distributed with the February edition of Railwatch. It was not possible to have the 2004 accounts prepared, examined and printed in time so an additional mailing was required. Other operating income rose by £3234 with most of this being an increase in annual draw receipts.

The operating surplus for the period was £7963 compared with a deficit of £38,955 in 2004.

#### **Statement of Directors' Responsibilities**

Company law requires the Directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the company and of the surplus or deficit 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business.

## **THE RAILWAY DEVELOPMENT SOCIETY LTD**

### **Directors' Report**

**For the Year Ended 31 December 2005**

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#### **Statement of Directors' Responsibilities (cont)**

The Directors are responsible for keeping proper accounting records, which 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 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are satisfied that appropriate controls and checks are in place to achieve these objectives.

#### **Reporting Accountant**

The Members have resolved that the financial statements be subject to scrutiny by an Reporting Accountant and his report is included on page 6.

On behalf of the Board



C A Lingard  
Company Secretary

6 May 2006

# **THE RAILWAY DEVELOPMENT SOCIETY LTD**

## **Reporting Accountant's Report** **For the Year Ended 31 December 2005**

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### **Accountant's Report to the Members on the Unaudited Accounts of The Railway Development Society Ltd**

I report on the accounts for the year ended 31 December 2005 set out on pages 7 to 15.

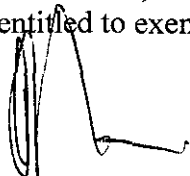
As described on page 4, the Company's Directors are responsible for the preparation of the accounts, and they consider that the Company is exempt from an audit. It is my responsibility to carry out procedures to enable me to report my opinion.

My work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so my procedures consisted of comparing the accounts with the accounting records kept by the Company, and making such limited enquiries of the officers of the Company as I considered necessary for the purposes of this report. These procedures provide only the assurance expressed in my opinion.

In my opinion:

- (a) the accounts are in agreement with the accounting records kept by the Company under section 221 of the Companies Act 1985;
- (b) having regard only to, and on the basis of, the information contained in those accounting records:
  - (i) the accounts have been drawn up in a manner consistent with the accounting requirements specified in section 249C(6) of the Act; and
  - (ii) the Company satisfied the conditions for exemption from an audit of the accounts for the period specified in section 249A(4) of the Act.

and did not, at any time within that year, fall within any of the categories of companies not entitled to exemption specified in section 249B(1).



David Harrison CA  
Reporting Accountant

6 May 2006  
Hove, East Sussex



# **THE RAILWAY DEVELOPMENT SOCIETY LTD**

## **Balance Sheet**

**As at 31 December 2005**

	Notes	2005		2004	
		£	£	£	£
<b>Fixed Assets</b>					
Tangible Assets	9	229		685	
Investments	10	<u>2,295</u>		<u>2,294</u>	
			2,524		2,979
<b>Current Assets</b>					
Stocks	11	586		700	
Debtors	12	1,310		3,594	
Cash at Bank & in Hand	13	<u>67,267</u>		<u>51,250</u>	
		69,163		55,544	
<b>Creditors</b>					
Amounts Falling Due within One Year	14	6,945		6,346	
<b>Net Current Assets</b>			62,218		49,198
<b>Total Assets Less Current Liabilities</b>			<u>64,742</u>		<u>52,177</u>
<b>Creditors</b>					
Amounts falling due after more than one year	15		3,170		-
<b>Net Assets</b>			<u>61,572</u>		<u>52,177</u>
<b>Reserves</b>					
General Fund	17		52,848		51,488
Fighting Fund	18		8,724		689
<b>Total Reserves</b>	19		<u>61,572</u>		<u>52,177</u>

The Notes on pages 11-15 form part of these accounts.

(a) For the year ended 31 December 2005, the company was entitled to exemption under section 249A(1) of the Companies Act 1985.

(b) Members have not required the company to obtain an audit in accordance with section 249B(2) of the Companies Act 1985.

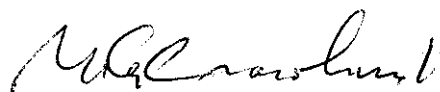
(c) The directors acknowledge their responsibility for:

(i) ensuring that the company keeps accounting records which comply with section 221; and

(ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year, and of its profit or losses for the financial year, in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Companies Act relating to the accounts, as far as applicable to the company.

(d) The accounts have been prepared in accordance with the special provisions in part VII of the Companies Act 1985 relating to small companies.

The financial statements on pages 7-15 were approved by the Board on 6 May 2006 and were signed on its behalf by:



M G Crowhurst  
Director



D J Harby  
Director

# **THE RAILWAY DEVELOPMENT SOCIETY LTD**

## **Profit & Loss Account**

### **For the Year Ended 31 December 2005**

	Notes	2005 £	2004 £
Income from Subscriptions, Donations & Campaigning	1	56,633	41,938
Campaigning Expenditure	2	18,264	18,934
<b>Gross Surplus</b>		<u>38,369</u>	<u>23,004</u>
Operating & Administration Expenses	3	38,446	66,765
		<u>(77)</u>	<u>(43,761)</u>
Other Operating Income	4	8,040	4,806
<b>Operating Surplus/(Deficit)</b>		<u>7,963</u>	<u>(38,955)</u>
Interest Receivable & Similar Income	5	1,431	1,205
<b>Surplus/(Deficit) on Ordinary Activities before Taxation</b>		<u>9,394</u>	<u>(37,750)</u>
Taxation	6	-	-
<b>Surplus/(Deficit) for the Financial Year after Taxation</b>		<u>9,394</u>	<u>(37,750)</u>

The Notes on pages 11-15 form part of these accounts.

## **THE RAILWAY DEVELOPMENT SOCIETY LTD**

### **Statement of Total Recognised Gains & Losses** **For the Year Ended 31 December 2005**

	Notes	2005 £	2004 £
Surplus/(Deficit) for Year Transferred to General Fund	17	9,394	(37,750)
Unrealised Gain/(Deficit) on Revaluation of Investments	10	1	(52)
<b>Total Recognised Gains/(Losses) Relating to the Year</b>		<b><u>9,395</u></b>	<b><u>(37,802)</u></b>

The Notes on pages 11-15 form part of these accounts.

### **Note of Historical Costs, Profits and Losses** **For the Year Ended 31 December 2005**

	Notes	2005 £	2004 £
Reported Surplus/(Deficit) on Ordinary Activities		9,394	(37,750)
Realisation of Investment Gains Relating to Previous Years		-	-
<b>Historical Surplus/(Deficit) on Ordinary Activities</b>		<b><u>9,394</u></b>	<b><u>(37,750)</u></b>

The Notes on pages 11-15 form part of these accounts.

## **THE RAILWAY DEVELOPMENT SOCIETY LTD**

### **Accounting Policies**

#### **For the Year Ended 31 December 2005**

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The financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities. The particular accounting policies adopted are described below.

#### **Accounting Period**

The comparative figures for 2004 cover the period from the incorporation of the company on 9 January 2004 to 31 December 2004. The unincorporated predecessor entity, The Railway Development Society, vested its assets and liabilities into The Railway Development Society Ltd on the latter's incorporation. The financial statements for 2005 cover the year ended 31 December 2005.

#### **Basis of Accounting**

The financial statements are prepared under the historical cost convention modified to include the revaluation of listed investments.

#### **Tangible Fixed Assets**

Fixed assets are included in the accounts at historical cost less accumulated depreciation. Depreciation is provided at the following annual rate in order to write off each asset over its estimated useful life.

Office equipment      - 20% straight line

#### **Investments**

Listed investments are stated at market value. Unlisted investments are stated at market value, where a market exists, otherwise at cost less any provision for impairment.

#### **Stocks**

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

#### **Donations and Subscriptions**

Donations and annual subscriptions are credited to income and expenditure account in the year of receipt except in cases where subscriptions for more than one year are paid as a lump sum, where the payment for the second and any subsequent years is treated as deferred. Life subscriptions are credited to income and expenditure over the estimated lives of the members.

#### **Fighting Fund (formerly Rail Defence Fund)**

In 2005 the scope of the Rail Defence Fund was widened and it was renamed the Fighting Fund. The proceeds of certain fund raising events and appeals are allocated to the Fighting Fund. The Fund can only be expended in support of campaigns for building new lines and stations, reopening closed lines and stations and preserving closed lines for future use and in support of campaigns against major reductions in services or railway closures, as agreed by the Board.

# **THE RAILWAY DEVELOPMENT SOCIETY LTD**

## **Notes to the Financial Statements**

### **For the Year Ended 31 December 2005**

#### **1 Income from Subscriptions, Donations & Campaigning**

	2005	2004
	£	£
Annual Subscriptions	38,478	32,756
Donations - Ordinary	7,317	5,518
Donations - Campaigns Appeal	4,117	-
Re-openings & Other Conferences	2,775	-
Users Conference	1,416	2,904
National Railcard Project	15	15
Railwatch	240	345
Media Sponsorship	2,275	400
	<u>56,633</u>	<u>41,938</u>

#### **2 Campaigning Expenditure**

	2005	2004
	£	£
Railwatch	12,762	12,800
Branch Campaigning	1,113	2,417
Policy Lobbying & Campaigns Committee	533	714
International & EU Committee	831	815
Freight Service & Development Committee	573	413
Passenger Committee	473	423
Network Development Committee	148	135
Re-openings & Other Conferences	604	-
Users Conference	1,227	1,217
	<u>18,264</u>	<u>18,934</u>

#### **3 Operating & Administration Expenses**

	2005	2004
	£	£
Opening Sales Stock	700	3,646
Stock Purchases	86	1,485
	<u>786</u>	<u>5,131</u>
Closing Stock	(586)	(700)
Cost of Sales	<u>200</u>	<u>4,431</u>
Monthly Lottery	452	730
Annual Draw	1,533	1,178
AGM	4,327	2,344
General Administration	9,378	9,135
Salaries & Employment Costs, inc. Honarariums	15,001	31,455
Recruitment Costs	-	425
Fund Raiser's Costs	412	878
Marketing Costs	425	965
London Office Running Costs including Company Insurance Costs	2,914	8,785
Branch Newsletters	1,827	2,276
Office Equipment Depreciation & Disposals	456	753
Loss on Disposal of Office Equipment	-	188
Web Site Development	100	200
Sundries	1,421	3,022
	<u>38,446</u>	<u>66,765</u>

In 2004 Sales of publications from the stock held by the London Office were adversely affected by the lack of a national Sales Officer and the Board decided to write the stock down to a nominal £1. During 2005 a rudimentary sales operation was established and the stock has been revalued accordingly.

## **THE RAILWAY DEVELOPMENT SOCIETY LTD**

### **Notes to the Financial Statements** **For the Year Ended 31 December 2005**

#### **4 Other Income**

	2005	2004
	£	£
Sale of Goods	396	399
Monthly Lottery	1,180	1,041
Annual Draw	4,948	2,147
AGM	610	417
Grants	-	265
Sundries	906	537
	<u>8,040</u>	<u>4,806</u>

#### **5 Interest Receivable & Similar Income**

	2005	2004
	£	£
Dividends from Company Shareholdings	6	5
Realised gain on investment	19	-
Bank Interest	1,406	1,200
	<u>1,431</u>	<u>1,205</u>

#### **6 Taxation**

The Company is only liable for UK Corporation Tax on its interest income. The Company currently benefits from the 0% rate of Corporation Tax and no liability arose in 2004 or 2005.

#### **7 Operating Surplus/(Deficit) for the Year**

This is stated after charging:

	2005	2004
	£	£
Depreciation - owned assets.	<u>455</u>	<u>753</u>

The Members of the Board do not receive any remuneration for their services to the Company.  
The Reporting Accountant does not receive any remuneration for his services.

#### **8 Staff**

	2005	2004
	£	£
Wages & Salaries	14,097	29,175
Social Security Costs	904	2,280
	<u>15,001</u>	<u>31,455</u>

No pension contributions were paid.

Average number of employees in the year:	<u>1.5</u>	<u>3</u>
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No employee earned over £60,000 pa

# THE RAILWAY DEVELOPMENT SOCIETY LTD

## Notes to the Financial Statements

### For the Year Ended 31 December 2005

#### 9 Tangible Fixed Assets

	Office Equipment	
	2005 £	2004 £
<b>Cost</b>		
At 1 January	4,103	4,946
Additions	-	-
Disposals	(410)	(843)
At 31 December	<u>3,693</u>	<u>4,103</u>
<b>Depreciation</b>		
At 1 January	3,418	3,320
Disposals	(409)	(655)
Charge for Year	455	753
At 31 December	<u>3,464</u>	<u>3,418</u>
<b>Net Book Value</b>		
At 31 December 2005	<u>229</u>	
At 31 December 2004		<u>685</u>

#### 10 Investments

	Listed £	Unlisted £	2005 £	2004 £
<b>Valuation</b>				
At 1 January	62	2,232	2,294	2,344
Additions	-	-	-	2
Disposals	-	-	-	-
Revaluation	1	-	1	(52)
At 31 December	<u>63</u>	<u>2,232</u>	<u>2,295</u>	<u>2,294</u>
<b>Cost</b>				
At 31 December 2005	<u>261</u>	<u>2,230</u>	<u>2,491</u>	<u>2,491</u>
At 31 December 2004	<u>261</u>	<u>2,230</u>	<u>2,491</u>	
Listed Shares at Valuation			£	£
256 Eurotunnel Ordinary Shares			46	44
200 Railtrack Ordinary Shares			17	18
			<u>63</u>	<u>62</u>

The listed shares are UK shares quoted on the London Stock Exchange.

Unlisted Shares/Loan Stock at Cost	£	£
Mid Norfolk Railway Preservation Trust Bearer Bond	100	100
2 Railfuture Ltd £1 Ordinary Shares	2	2
2 Wensleydale Railway Company £15 Track Units	30	30
38 Wensleydale Railway Company £50 Ordinary Shares	1,900	1,900
£200 CKP Railways Loan Stock	200	200
	<u>2,232</u>	<u>2,232</u>

#### 11 Stock

	2005 £	2004 £
Books & Publications	<u>586</u>	<u>700</u>

## **THE RAILWAY DEVELOPMENT SOCIETY LTD**

### **Notes to the Financial Statements**

#### **For the Year Ended 31 December 2005**

##### **12 Debtors**

	2005	2004
	£	£
Sundry Debtors	559	1,700
Prepayments	751	1,894
	<u>1,310</u>	<u>3,594</u>

##### **13 Cash at Bank & in Hand**

	2005	2004
	£	£
General Current Account	20,329	9,104
General Deposit Account	10,602	1,001
Birmingham Midshires Deposit Account	18,824	22,712
Group Travel Account	-	1,708
Monthly Lottery Account	427	45
Railwatch Account	440	714
Branches Accounts	16,646	15,966
	<u>67,267</u>	<u>51,250</u>

##### **Group Travel Account**

Funds in the account were held on behalf of participants in Rail Study trips organised for members and friends. The trips are not organised by, or on behalf of, the Company. During 2005 the Board decided that they no longer wished to hold these funds on behalf of the organisers and the assets in the fund were transferred to the organisers.

##### **14 Creditors falling due within one year**

	2005	2004
	£	£
Accruals	6,469	5,696
Sundry Creditors	183	600
Trust Funds	50	50
Deferred income (see note 16)	244	-
	<u>6,945</u>	<u>6,346</u>

##### **15 Creditors falling due after one year**

	2,005	2,004
	£	£
Deferred income (see note 16)	3,170	-
	<u>3,170</u>	<u>-</u>

##### **16 Deferred income**

	2005	2004
	£	£
At 1 January 2005	-	-
Transfers from/(to) to General Funds (as subscriptions)	(48)	-
Amount deferred in the year	3,462	-
<u>Balance at 31 December 2005</u>		
Due in less than one year	244	-
Due after more than one year	<u>3,170</u>	<u>-</u>

Deferred income comprises Life Membership and other subscriptions received in advance.



## **THE RAILWAY DEVELOPMENT SOCIETY LTD**

### **Notes to the Financial Statements** **For the Year Ended 31 December 2005**

#### **17 General Fund**

	2005	2004
	£	£
At 1 January	51,488	88,998
Surplus/(Deficit) for Year Transferred from Profit & Loss Account	9,394	(37,750)
Unrealised Surplus/(Deficit) on Valuation of Investments	1	(52)
Transfers from/(to) Fighting fund	(8,035)	292
At 31 December	<u>52,848</u>	<u>51,488</u>

The transfers from/to the Rail Defence Fund (Fighting Fund) were to made in accordance with the accounting policy for the Fund.

#### **18 Fighting Fund (formerly Rail Defence Fund)**

	2005	2004
	£	£
At 1 January	689	981
Transfers from/(to) General Fund	<u>8,035</u>	<u>(292)</u>
At 31 December	<u>8,724</u>	<u>689</u>

#### **19 Reconciliation in Movement in Company's Funds**

	2005	2004
	£	£
At 1 January	52,177	89,979
Total Recognised Gains/(Losses)	<u>9,395</u>	<u>(37,802)</u>
At 31 December	<u>61,572</u>	<u>52,177</u>

#### **20 Capital Commitments**

There were no capital commitments authorised and contracted at the end of 2005 (2004 nil).

#### **21 Liability of Members**

Under the provisions of the Company's Memorandum of Association, members are liable to a contribution not exceeding £1 each in the event of the winding up of the Company.

Members are defined in paragraphs 3-13 of the Company's Articles of Association.