
WENSLEYDALE RAILWAY PLC

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2017

Company registration number 04093919

jwpcreeers llp
CHARTERED ACCOUNTANTS

FRIDAY



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WENSLEYDALE RAILWAY PLC
FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2017

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WENSLEYDALE RAILWAY PLC

STRATEGIC REPORT

YEAR ENDED 31 MARCH 2017

The year has been eventful, with difficulties and achievements. We welcomed the return of "JOEM", the steam locomotive leased from NELPG, which has been very successful and greatly helped passenger numbers.

A major development was the introduction of a Heritage Education programme, based at Scruton Station, following the award from the Heritage Lottery Fund of nearly £40,000. Some 244 children plus staff visited the station, arriving by vintage train, and experiencing what life was like on a country station a century ago, through interactive drama and curriculum-linked activities. The programme is running again this year with funding from North Yorkshire County Council through their Stronger Communities programme. Feedback has been excellent and the publicity gained has also been beneficial, with many children revisiting the station and the railway with their parents or grandparents. We are indebted to Virginia Arrowsmith, also to the parishioners of Scruton and local volunteers who supported and helped to deliver this programme.

Linked to the Heritage and Education programme, a full length platform was built at Scruton Station, paid for largely through a grant negotiated by Scruton Parish Council. A local initiative is planning to install a mains water supply to the station. We also received a highly commended award for "Volunteer Delivered Projects" for the recreation of the crossing gates at Scruton. This, of course, followed the earlier first prize from the Railway Heritage Trust for the restoration of the station itself. This station is certainly one of our "jewels in the crown".

A major impact for the railway was the collision of a car with one of our engines on the Yafforth level crossing in September. Fortunately, the injuries to the car driver were not as serious as first thought, but it was a shocking incident for the train crew, who were applauded for their exemplary conduct following the accident. Although the company was exonerated, the rail regulator decided that the crossing's upgrade to modern standards should take place within two years and the same for the other two automatic crossings at Ham Hall and Aiskew. This will be very expensive and has meant, for the time being, closure of passenger services between Leeming Bar and Northallerton West. This is exacerbated by flood damage to the track in that section.

Overall, the issues relating to infrastructure, staffing, the need for investment and the condition of the rolling stock, as reported last year, remain.

GOVERNANCE

Despite the efforts made to strengthen the Board, we have been unable to recruit a new Chair, following the retirement of David Haxby at the last AGM and we also lack a finance director and a director to be responsible for health and safety.

Richard Holt was co-opted to the Board in July and voted in at the AGM in September; Steve Davies and Paul Warren were co-opted in October. Jerry Dickenson was also co-opted in October but subsequently resigned at the end of the year. Ken Monkman resigned in October.

A major change has been made in the way the railway is governed, in that directors of the company are routinely invited to attend meetings of the Wensleydale Railway Association (Trust) Limited ("Trust") and minutes of both companies are, wherever possible, shared. This has made financial and other planning more efficient. In particular, a grants planning group has been set up between the companies and this is already bearing fruit as is shown below under the appropriate headings of this report.

A trial development in the current year, is the holding of the AGMs of both companies on the same day in the same location, which is more efficient, economic and will, hopefully, encourage shareholders and members of the company and the Trust to interact.

WENSLEYDALE RAILWAY PLC

STRATEGIC REPORT *(continued)*

YEAR ENDED 31 MARCH 2017

FINANCE

During the past year, strenuous efforts have been made to reduce the historic debts and liabilities of the company. The Chairman's Fund has been of tremendous help in this and has reduced the overall liabilities by more than half, resulting in a much more healthy relationship with contractors, businesses and others to whom we owe money.

Similarly, the Sponsor Scheme continues to support the railway on a month by month basis and this creates a positive cash flow which is so important, especially during the winter months of little income. We would like to continue this valuable scheme and, if possible, extend it to other individuals and to companies.

We want to place on record our grateful thanks to all who have contributed; also to David Haxby who is continuing to manage the Chairman's Fund and the Sponsor Scheme.

The continuing support of the Trust is absolutely vital; various fund raising activities have raised large sums and it is true to say that the railway could not survive without that support.

Other appeals have also been made when opportunities arose, as described in the Infrastructure section of this report.

It is clear that, despite the progress made, there is still a need for substantial investment; sales of tickets and buffet sales, etc. barely cover the regular staffing and running costs and certainly do not provide for repairs to rolling stock or infrastructure, much of which is woefully underfunded. As reported each year, staffing is run at the bare minimum. Although there has been generous and substantial support from the Trust the railway needs investment. Accordingly, investigations are continuing to see what opportunities there may be to use our major assets of Leeming Bar and Aysgarth Stations. The latter has a mortgage of approximately £200,000 (secured against the two sites) and this both drains money continuously and prevents the raising of more capital.

In May last year, we welcomed Teresa Chapman as the Accounts Manager and she is giving excellent service, in managing the accounts, providing financial information to the directors and organising the general office.

COMMERCIAL AND RETAIL

Last year, we reported the introduction of the EPOS system for electronic sales in buffets and for ticketing. The ability to sell on trains by electronic means is very welcome and there is greater accountability and ease of use in the station buffets through its use. However, its ability to provide management information is still causing difficulties.

Due to our various events, including Santa Specials and the afternoon tea trains, we improved the income over the previous year.

A small number of supporters clubbed together to take advantage of an offer which arose, to buy a dining car which, although requiring substantial renovation, has potential to allow us to offer hot food on trains. This will be a long term project.

Northallerton Kiosk continues to provide regular and welcome income, helping particularly to support cash flow throughout the winter months. David Mottershead leads a volunteer team who give excellent service.

Darlington College helped us in the past in the restoration of Scruton Station and is now collaborating in a range of things, including engineering and construction projects and in marketing and publicity.

A very useful link has been made between the railway and Spear Travels; this has potential for a number of exciting projects, which are being explored.

WENSLEYDALE RAILWAY PLC

STRATEGIC REPORT *(continued)*

YEAR ENDED 31 MARCH 2017

INFRASTRUCTURE

A swiftly organised appeal was launched when an opportunity arose to acquire a huge quantity of rails, sleepers and fittings provided we would pay for dismantling it from its current location and transport it to our railway. This "Track for Scrap" fund achieved its target of £23,000 very quickly and the surplus will be used elsewhere on the infrastructure.

A grant was obtained to help with the purchase and installation of wheelchair ramps at each of the stations.

The MARS project to build a large workshop, restore the Leeming Bar Station building and to supply much improved catering and passenger facilities has received planning consent but the costs will be huge. However, a start has been made with a grant application to the Heritage Lottery Fund to restore the station building and there are outline plans to build a temporary maintenance/storage shed so that, in particular, steam engines can be securely stored.

A major financial requirement over the next two years will be to modernise the three automatic level crossings. Although we have known about this need, the recent Yafforth incident has brought it forward as a priority.

Overall, the track is still in poor condition in many places, resulting in speed restrictions and there is a need for substantial investment.

ROLLING STOCK

A challenge over the next few years is to improve the quality of the passenger experience; our available stock of loco-hauled carriages is in reasonable condition, but the vital back up stock of DMUs needs substantial work, some of which will be expensive.

An important policy decision taken this year is to better reflect the public demand for steam services; we have to find a replacement for JOEM (which has done excellent service) from 2018 and, in order to achieve this, it is likely that covered accommodation to house any incoming engines will be necessary.

OPERATIONS

The further development of special events continued from last year; the Diesel Gala, Ale Festival, 1940's weekend, support for the Dales Festival of Food and Drink and afternoon tea trains have contributed greatly to income. It is clear that even more of these will be vital if progress is to be continued and there are plans to do this. Santa Specials were better attended than ever and we have further plans to make even more of this event, which is vital in generating income in an otherwise lean period.

PROPERTY

The company is responsible for several properties which are leased to the Wensleydale Railway as part of the Network Rail lease and subsequently sub-let to both domestic and commercial tenants. We also have responsibility for Bedale Station building which is owned by Hambleton District Council as well as the properties which we directly own including Aysgarth and Leeming Bar. The rental income derived from these properties is useful but the company must also maintain and manage these properties which imposes both cost and the need for management time.

STAFFING

Paid staff levels are now at their lowest ever. This has a positive impact on costs, but targeted recruitment will be required to enable the developments we are working on to proceed. Recruitment of volunteers continues to be a focus and we are conscious of the social changes which are impacting on this area of the business and amending our practices as a consequence.

There was further development of improvements to the induction and training of volunteers (led by Bob Coombs) as reported last year. Organisation has continued to improve by encouraging teams which have a deal of autonomy. There are never sufficient volunteers but we wish again to pay tribute to the immense amount of work carried out by them.

WENSLEYDALE RAILWAY PLC

STRATEGIC REPORT *(continued)*

YEAR ENDED 31 MARCH 2017

THE FUTURE

The update to the ARUP report on the economic case for extending the railway westwards, which was published early in 2017, showed clearly that the Wensleydale Railway brings huge benefit to all communities along and near the route. The changes we envisage - development of the Heritage and Education programme, further emphasis on steam services, improvements to rolling stock and infrastructure and other things mentioned in this report display an exciting future. Of course, we want to extend the railway westwards (and to reinstate the route to Northallerton) but we must work harder than ever to improve the quality of what we offer to the general public and ensure that our current railway is fit for purpose.

To accomplish these aims, we rely on our shareholders, members of the Trust and other supporters and we are extremely grateful for their continuing support.

This report was approved by the board of directors on 27 July 2017 and signed on behalf of the board by:



C A Les
Director

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

WENSLEYDALE RAILWAY PLC

DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2017

The directors present their report and the financial statements of the group for the year ended 31 March 2017.

DIRECTORS

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

R F Lord	
C A Les	
N Park	
D Walker	
S Hall	
G Harris	
J Richardson	
R J Holt	(Appointed 11 July 2016)
S Davies	(Appointed 16 October 2016)
P Warren	(Appointed 16 October 2016)
D A Haxby	(Retired 17 September 2016)
K Monkman	(Retired 17 September 2016)
J Dickenson	(Served from 16 October 2016 to 3 January 2017)

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 2018.

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 2017

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 27 July 2017 and signed on behalf of the board by:



C A Les
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 2017

We have audited the financial statements of Wensleydale Railway plc for the year ended 31 March 2017 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 the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 2017 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.

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 2017

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.

Nigel Clemit

Nigel Clemit ACA FCCA (Senior Statutory Auditor)

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

26/09/2017

WENSLEYDALE RAILWAY PLC
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 31 MARCH 2017

	Note	2017 £	2016 <i>(restated)</i> £
TURNOVER	4	663,299	644,562
Cost of sales		<u>381,245</u>	<u>325,244</u>
GROSS PROFIT		282,054	319,318
Administrative expenses		241,271	235,854
Other operating income	5	<u>53,311</u>	<u>55,122</u>
OPERATING PROFIT	6	94,094	138,586
Interest payable and similar expenses	10	<u>7,553</u>	<u>11,306</u>
PROFIT BEFORE TAXATION		86,541	127,280
Tax on profit	11	<u>4,310</u>	<u>4,440</u>
PROFIT FOR THE FINANCIAL YEAR AND TOTAL COMPREHENSIVE INCOME		<u>82,231</u>	<u>122,840</u>

All the activities of the group are from continuing operations.

WENSLEYDALE RAILWAY PLC
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 MARCH 2017

	Note	2017 £	2016 (restated) £
FIXED ASSETS			
Tangible assets	12	1,422,368	1,387,737
CURRENT ASSETS			
Stocks	14	7,762	5,350
Debtors	15	66,149	34,966
Cash at bank and in hand		12,263	20,551
		<u>86,174</u>	<u>60,867</u>
CREDITORS: amounts falling due within one year	17	<u>326,367</u>	323,931
NET CURRENT LIABILITIES		<u>240,193</u>	<u>263,064</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,182,175</u>	1,124,673
CREDITORS: amounts falling due after more than one year	18	486,427	519,269
PROVISIONS			
Taxation including deferred tax	20	3,759	-
NET ASSETS		<u>691,989</u>	<u>605,404</u>
CAPITAL AND RESERVES			
Called up share capital	23	2,535,382	2,531,028
Revaluation reserve	24	183,318	117,077
Statement of comprehensive income	24	(2,026,711)	(2,042,701)
MEMBERS FUNDS		<u>691,989</u>	<u>605,404</u>

These financial statements were approved by the board of directors and authorised for issue on 27 July 2017, and are signed on behalf of the board by:



C A Les
Director

Company registration number: 04093919

The notes on pages 15 to 26 form part of these financial statements.

WENSLEYDALE RAILWAY PLC
COMPANY STATEMENT OF FINANCIAL POSITION
31 MARCH 2017

	Note		2017 £	2016 <i>(restated)</i> £
FIXED ASSETS				
Tangible assets	12		834,157	863,852
Investments	13		<u>227,330</u>	<u>165,080</u>
			1,061,487	1,028,932
 CURRENT ASSETS				
Stocks	14	7,762		5,350
Debtors	15	306,939		259,802
Cash at bank and in hand		<u>11,239</u>		<u>20,225</u>
		325,940		285,377
 CREDITORS: amounts falling due within one year	17	<u>392,497</u>		<u>388,791</u>
NET CURRENT LIABILITIES			<u>66,557</u>	<u>103,414</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			994,930	925,518
 CREDITORS: amounts falling due after more than one year	18		<u>302,941</u>	<u>320,114</u>
NET ASSETS			<u>691,989</u>	<u>605,404</u>
 CAPITAL AND RESERVES				
Called up share capital	23		2,535,382	2,531,028
Statement of comprehensive income	24		<u>(1,843,393)</u>	<u>(1,925,624)</u>
MEMBERS FUNDS			<u>691,989</u>	<u>605,404</u>

The profit for the financial year of the parent company was £82,231 (2016: £122,841).

These financial statements were approved by the board of directors and authorised for issue on 27 July 2017, and are signed on behalf of the board by:



C A Les
Director

Company registration number: 04093919

WENSLEYDALE RAILWAY PLC
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 MARCH 2017

	Called up share capital £	Revaluation reserve £	Statement of comprehensive income £	Total £
AT 1 APRIL 2015	2,528,478	117,077	(2,165,541)	480,014
Profit for the year	—	—	122,840	122,840
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	—	—	122,840	122,840
Issue of shares	2,550	—	—	2,550
TOTAL INVESTMENTS BY AND DISTRIBUTIONS TO OWNERS	2,550	—	—	2,550
AT 31 MARCH 2016	2,531,028	117,077	(2,042,701)	605,404
Profit for the year	—	—	82,231	82,231
Other comprehensive income for the year:				
Net revaluation movement	—	66,241	(66,241)	—
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	—	66,241	15,990	82,231
Issue of shares	4,354	—	—	4,354
TOTAL INVESTMENTS BY AND DISTRIBUTIONS TO OWNERS	4,354	—	—	4,354
AT 31 MARCH 2017	<u>2,535,382</u>	<u>183,318</u>	<u>(2,026,711)</u>	<u>691,989</u>

The revaluation reserve consists of gains arising from changes in the fair value of investment property less deferred tax provided on those gains.

WENSLEYDALE RAILWAY PLC
COMPANY STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 MARCH 2017

	Note	Called up share capital £	Statement of comprehensive income £	Total £
AT 1 APRIL 2015		2,528,478	(2,048,465)	480,013
Profit for the year		<u> </u>	122,841	122,841
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		-	122,841	122,841
Issue of shares		2,550	-	2,550
TOTAL INVESTMENTS BY AND DISTRIBUTIONS TO OWNERS		2,550	-	2,550
AT 31 MARCH 2016 (AS PREVIOUSLY REPORTED)		2,531,028	(1,989,054)	541,974
Prior period adjustments	22	-	63,430	63,430
AT 31 MARCH 2016 (RESTATED)		<u>2,531,028</u>	<u>(1,925,624)</u>	<u>605,404</u>
Profit for the year		<u> </u>	82,231	82,231
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		-	82,231	82,231
Issue of shares		4,354	-	4,354
TOTAL INVESTMENTS BY AND DISTRIBUTIONS TO OWNERS		4,354	-	4,354
AT 31 MARCH 2017		<u>2,535,382</u>	<u>(1,843,393)</u>	<u>691,989</u>

The notes on pages 15 to 26 form part of these financial statements.

WENSLEYDALE RAILWAY PLC
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED 31 MARCH 2017

	Note	2017 £	2016 <i>(restated)</i> £
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the financial year		82,231	122,840
<i>Adjustments for:</i>			
Depreciation of tangible assets		47,369	49,613
Fair value adjustment of investment property		(70,000)	–
Interest payable and similar expenses		7,553	11,306
Tax on profit		4,310	4,440
Accrued income		(32,593)	(59,276)
<i>Changes in:</i>			
Stocks		(2,412)	118
Trade and other debtors		(31,183)	123,534
Trade and other creditors		13,588	(109,061)
Cash generated from operations		<u>18,863</u>	<u>143,514</u>
Interest paid		(7,553)	(11,306)
Net cash from operating activities		<u>11,310</u>	<u>132,208</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of tangible assets		(12,000)	(92,163)
Net cash used in investing activities		<u>(12,000)</u>	<u>(92,163)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of ordinary shares		4,354	2,550
Proceeds from borrowings		(26,909)	(21,005)
Net cash used in financing activities		<u>(22,555)</u>	<u>(18,455)</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(23,245)	21,590
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		9,050	(12,540)
CASH AND CASH EQUIVALENTS AT END OF YEAR	16	(14,195)	<u>9,050</u>

The notes on pages 15 to 26 form part of these financial statements.

WENSLEYDALE RAILWAY PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2017

1. GENERAL INFORMATION

The company is a public company limited by shares, registered in England and Wales. The address of the registered office is Leeming Bar Station, Leases Road, Leeming Bar, Northallerton, North Yorkshire, DL7 9AR.

2. 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'.

3. ACCOUNTING POLICIES

BASIS OF PREPARATION

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 financial statements have been prepared on a 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 existing and new 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 ("Trust").

Sources of grant funding are being explored by the directors but it is difficult to quantify the likelihood of successful applications for such support. This is a major source of funds that remains unpredictable.

The directors continue to develop the line, offering a greater variety of services with the aim to increase passenger numbers. They also work closely with the Trust to determine additional forms of funding to assist with the ongoing development of the line and its facilities. In addition, levels of expenditure are controlled as much as possible, with savings obtained on both general running costs and items required to modernise the infrastructure. These efforts have enabled the group to significantly reduce the level of its liabilities.

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.

WENSLEYDALE RAILWAY PLC
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 MARCH 2017

3. ACCOUNTING POLICIES *(continued)*

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 statement of comprehensive income is published, a separate statement of comprehensive income 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.

RELATED PARTY 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 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.

WENSLEYDALE RAILWAY PLC
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 MARCH 2017

3. ACCOUNTING POLICIES *(continued)*

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 over £1,000 are capitalised and initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Investment properties are shown at fair value. Any other 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.

A revaluation of an asset in a period is initially recognised in the statement of comprehensive income. Increases in the carrying amount of an asset as a result of a revaluation are subsequently transferred to a separate revaluation reserve, less provision for deferred tax on the gain. Decreases in the carrying amount of an asset as a result of revaluation are, in the first instance, offset against previous gains on the asset with any losses in excess of previous gains retained in the statement of comprehensive income.

Repairs and maintenance to the track and railway infrastructure due to wear and tear and replacements required due to changes in regulations are expensed as incurred.

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:

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

INVESTMENTS

Fixed asset investments are measured at fair value.

In previous years, the investment was recorded at cost. A prior year adjustment has been made to restate comparative amounts to reflect this change in accounting policy. The effect of this restatement is detailed in note 22.

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.

WENSLEYDALE RAILWAY PLC
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 MARCH 2017

3. ACCOUNTING POLICIES *(continued)*

FINANCE LEASES AND HIRE PURCHASE CONTRACTS *(continued)*

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.

4. TURNOVER

Turnover arises from:

	2017	2016 <i>(restated)</i>
	£	£
Sale of goods	99,889	101,869
Rendering of services	225,926	209,102
Grants and similar income	220,563	156,835
Sponsorships	35,229	30,283
Other income	81,692	146,473
	<u>663,299</u>	<u>644,562</u>

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

5. OTHER OPERATING INCOME

	2017	2016 <i>(restated)</i>
	£	£
Rental income	35,000	33,596
Other operating income	18,311	21,526
	<u>53,311</u>	<u>55,122</u>

WENSLEYDALE RAILWAY PLC
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 MARCH 2017

6. OPERATING PROFIT

Operating profit or loss is stated after charging:

	2017	2016 <i>(restated)</i>
	£	£
Depreciation of tangible assets	47,369	49,613
Fair value adjustments to investment property	(70,000)	–
Impairment of trade debtors	–	3,200
	<u> </u>	<u> </u>

7. AUDITOR'S REMUNERATION

	2017	2016 <i>(restated)</i>
	£	£
Fees payable for the audit of the financial statements	<u>8,750</u>	<u>8,750</u>
Fees payable to the company's auditor and its associates for other services:		
Audit of the financial statements of associates	1,938	2,766
Taxation compliance services	500	500
Other non-audit services	1,000	1,000
	<u>3,438</u>	<u>4,266</u>

8. STAFF COSTS

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

	2017	2016
	No.	No.
Number of sales staff	4	4
Number of railway operations and maintenance staff	6	5
Number of management and administration staff	3	4
	<u>13</u>	<u>13</u>

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

	2017	2016 <i>(restated)</i>
	£	£
Wages and salaries	169,939	157,324
Social security costs	9,218	7,830
	<u>179,157</u>	<u>165,154</u>

9. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services was:

	2017	2016 <i>(restated)</i>
	£	£
Remuneration	<u>25,500</u>	<u>29,000</u>

WENSLEYDALE RAILWAY PLC
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 MARCH 2017

10. INTEREST PAYABLE AND SIMILAR EXPENSES

	2017	2016 <i>(restated)</i>
	£	£
Interest on banks loans and overdrafts	7,129	8,245
Interest due on bonds	872	1,483
Interest waived	(1,021)	–
Other interest payable and similar charges	573	1,578
	<u>7,553</u>	<u>11,306</u>

11. TAX ON PROFIT

Major components of tax expense

	2017	2016 <i>(restated)</i>
	£	£
Current tax:		
UK current tax expense	1,361	4,440
Adjustments in respect of prior periods	(810)	–
Total current tax	<u>551</u>	<u>4,440</u>
Deferred tax:		
Origination and reversal of timing differences	3,759	–
Tax on profit	<u>4,310</u>	<u>4,440</u>

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is lower than (2016: lower than) the standard rate of corporation tax in the UK of 20% (2016: 20%).

	2017	2016 <i>(restated)</i>
	£	£
Profit on ordinary activities before taxation	86,541	127,280
Profit on ordinary activities by rate of tax	15,758	25,456
Adjustment to tax charge in respect of prior periods	(810)	–
Effect of expenses not deductible for tax purposes	(11,395)	151
Effect of capital allowances and depreciation	(2,827)	4,761
Utilisation of tax losses	(225)	(26,738)
Unused tax losses	50	810
Chargeable gains on revalued assets	3,759	–
Tax on profit	<u>4,310</u>	<u>4,440</u>

WENSLEYDALE RAILWAY PLC
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 MARCH 2017

12. TANGIBLE ASSETS

Group	Freehold property £	Track and railway infrastructure £	Station improvements £	Investment property £	Plant and equipment £	Total £
Cost or revaluation						
At 1 Apr 2016 (as restated)	283,734	627,736	283,930	330,000	298,735	1,824,135
Additions	–	–	–	–	12,000	12,000
Revaluations	–	–	–	70,000	–	70,000
At 31 Mar 2017	<u>283,734</u>	<u>627,736</u>	<u>283,930</u>	<u>400,000</u>	<u>310,735</u>	<u>1,906,135</u>
Depreciation						
At 1 Apr 2016	89,849	108,513	55,411	–	182,625	436,398
Charge for the year	5,674	12,555	5,713	–	23,427	47,369
At 31 Mar 2017	<u>95,523</u>	<u>121,068</u>	<u>61,124</u>	<u>–</u>	<u>206,052</u>	<u>483,767</u>
Carrying amount						
At 31 Mar 2017	<u>188,211</u>	<u>506,668</u>	<u>222,806</u>	<u>400,000</u>	<u>104,683</u>	<u>1,422,368</u>
At 31 Mar 2016	<u>193,885</u>	<u>519,223</u>	<u>228,519</u>	<u>330,000</u>	<u>116,110</u>	<u>1,387,737</u>
Company						
		Track and railway infrastructure £	Station improvements £	Plant and equipment £	Total £	
Cost or revaluation						
At 1 April 2016 (as restated)		627,736	280,181	298,735		1,206,652
Additions		–	–	12,000		12,000
At 31 March 2017		<u>627,736</u>	<u>280,181</u>	<u>310,735</u>		<u>1,218,652</u>
Depreciation						
At 1 April 2016		108,513	51,662	182,625		342,800
Charge for the year		12,555	5,713	23,427		41,695
At 31 March 2017		<u>121,068</u>	<u>57,375</u>	<u>206,052</u>		<u>384,495</u>
Carrying amount						
At 31 March 2017		<u>506,668</u>	<u>222,806</u>	<u>104,683</u>		<u>834,157</u>
At 31 March 2016		<u>519,223</u>	<u>228,519</u>	<u>116,110</u>		<u>863,852</u>

Tangible assets held at valuation

Investment property was subject to professional valuation on 30 June 2016 by Matthew Brown, MRICS FAAV of George F White LLP. The valuation of the property at that date was £415,000. The valuation in the financial statements as at 31 March 2017 has been made on the basis of an offer made by a third party after the year end which is being considered by the directors.

WENSLEYDALE RAILWAY PLC
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 MARCH 2017

12. TANGIBLE ASSETS *(continued)*

In respect of tangible assets held at valuation, aggregate cost, depreciation and comparable carrying amount that would have been recognised if the assets had been carried under the historical cost model are as follows:

Group	Investment property £
At 31 March 2017	
Aggregate cost	253,984
Aggregate depreciation	<u>(71,539)</u>
Carrying value	<u>182,445</u>
At 31 March 2016	
Aggregate cost	253,984
Aggregate depreciation	<u>(66,459)</u>
Carrying value	<u>187,525</u>

The company has no tangible assets held at valuation.

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 2017	<u>938</u>
At 31 March 2016	<u><u>1,875</u></u>

13. INVESTMENTS

The group has no investments.

Company	Shares in subsidiary undertakings £
Valuation	
At 1 April 2016 as restated	165,080
Revaluations	<u>62,250</u>
At 31 March 2017	<u>227,330</u>
Impairment	
At 1 April 2016 as restated and 31 March 2017	<u>—</u>
Carrying amount	
At 31 March 2017	<u>227,330</u>
At 31 March 2016	<u><u>165,080</u></u>

WENSLEYDALE RAILWAY PLC
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 MARCH 2017

13. INVESTMENTS *(continued)***Subsidiaries, associates and other investments**

Details of the investments in which the parent company has an interest of 20% or more are as follows:

Subsidiary undertakings	Class of share	Percentage of shares held
TWRC Limited	Ordinary	100

In addition, in both the current and previous year, TWRC Limited owned 100% of the ordinary share capital of WRC(P) Limited, a company incorporated in England and Wales.

14. STOCKS

	Group 2017	2016 <i>(restated)</i>	Company 2017	2016 <i>(restated)</i>
	£	£	£	£
Goods for resale	<u>7,762</u>	<u>5,350</u>	<u>7,762</u>	<u>5,350</u>

15. DEBTORS

	Group 2017	2016 <i>(restated)</i>	Company 2017	2016 <i>(restated)</i>
	£	£	£	£
Trade debtors	16,050	8,920	16,050	8,920
Amounts owed by group undertakings	–	–	240,790	224,836
Prepayments and accrued income	50,082	26,046	50,082	26,046
Other debtors	17	–	17	–
	<u>66,149</u>	<u>34,966</u>	<u>306,939</u>	<u>259,802</u>

16. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise the following:

	2017	2016 <i>(restated)</i>
	£	£
Cash at bank and in hand	12,263	20,551
Bank overdrafts	<u>(26,458)</u>	<u>(11,501)</u>
	<u>(14,195)</u>	<u>9,050</u>

WENSLEYDALE RAILWAY PLC
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 MARCH 2017

17. CREDITORS: amounts falling due within one year

	Group		Company	
	2017	2016	2017	2016
	£	(restated)	£	(restated)
		£		£
Debenture loans	14,100	25,700	–	–
Bank loans and overdrafts	41,808	26,491	26,458	11,501
Trade creditors	106,931	91,493	106,931	91,493
Amounts owed to group undertakings	–	–	118,735	129,938
Accruals and deferred income	49,803	82,396	36,177	67,661
Corporation tax	4,991	4,440	4,991	4,440
Social security and other taxes	17,893	20,881	17,893	20,881
Obligations under finance leases and hire purchase contracts	4,750	4,750	4,750	4,750
Other creditors	86,091	67,780	76,562	58,127
	<u>326,367</u>	<u>323,931</u>	<u>392,497</u>	<u>388,791</u>

18. CREDITORS: amounts falling due after more than one year

	Group		Company	
	2017	2016	2017	2016
	£	(restated)	£	(restated)
		£		£
Bank loans and overdrafts	183,486	199,155	–	–
Accruals and deferred income	282,291	297,377	282,291	297,377
Other creditors	20,650	22,737	20,650	22,737
	<u>486,427</u>	<u>519,269</u>	<u>302,941</u>	<u>320,114</u>

The bank loan is secured on both the Leeming Bar and Aysgarth stations.

Included within creditors: amounts falling due after more than one year is an amount of £117,187 (2016: £Nil) 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	
	2017	2016	2017	2016
	£	(restated)	£	(restated)
		£		£
Not later than 1 year	<u>4,750</u>	<u>4,750</u>	<u>4,750</u>	<u>4,750</u>

WENSLEYDALE RAILWAY PLC
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 MARCH 2017

20. PROVISIONS

Group	Deferred tax (note 21) £
At 1 April 2016 (as restated)	–
Additions	<u>3,759</u>
At 31 March 2017	<u>3,759</u>

The company does not have any provisions.

21. DEFERRED TAX

The deferred tax included in the statement of financial position is as follows:

	Group		Company	
	2017	2016 <i>(restated)</i>	2017	2016 <i>(restated)</i>
	£	£	£	£
Included in provisions (note 20)	<u>3,759</u>	–	–	–

The deferred tax account consists of the tax effect of timing differences in respect of:

	Group		Company	
	2017	2016 <i>(restated)</i>	2017	2016 <i>(restated)</i>
	£	£	£	£
Accelerated capital allowances	65,571	66,882	65,571	66,882
Revaluation of tangible assets	3,759	–	–	–
Unused tax losses	<u>(65,571)</u>	<u>(66,882)</u>	<u>(65,571)</u>	<u>(66,882)</u>
	<u>3,759</u>	–	–	–

22. PRIOR PERIOD ADJUSTMENTS

Comparative amounts for the company have been restated to reflect a change in accounting policy for the valuation of investments in subsidiaries. The accounting policy has been amended from the investment being recorded at cost to being recorded at fair value. The effect of this prior year adjustment is as follows:

Carrying value of shares in subsidiary undertakings at 31 March 2016 restated to £165,080 from £101,650.

Statement of comprehensive income at 1 April 2015 restated to £(2,048,465) from £(2,121,619).

Statement of comprehensive income at 31 March 2016 restated to £(1,925,624) from £(1,989,054).

WENSLEYDALE RAILWAY PLC
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 MARCH 2017

23. CALLED UP SHARE CAPITAL

Issued, called up and fully paid

	2017		2016 <i>(restated)</i>	
	No.	£	No.	£
Ordinary shares of £1 each	<u>2,535,382</u>	<u>2,535,382</u>	<u>2,531,028</u>	<u>2,531,028</u>
Share movements				
			No.	£
Ordinary				
At 1 April 2016			2,531,028	2,531,028
Issue of shares			<u>4,354</u>	<u>4,354</u>
At 31 March 2017			<u>2,535,382</u>	<u>2,535,382</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.

24. 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.

Statement of comprehensive income - 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.

25. OPERATING LEASES

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

	Group		Company	
	2017	2016 <i>(restated)</i>	2017	2016 <i>(restated)</i>
	£	£	£	£
Not later than 1 year	25,782	26,082	25,782	26,082
Later than 1 year and not later than 5 years	94,929	97,929	94,929	97,929
Later than 5 years	<u>1,412,509</u>	<u>1,433,992</u>	<u>1,412,509</u>	<u>1,433,992</u>
	<u>1,533,220</u>	<u>1,558,003</u>	<u>1,533,220</u>	<u>1,558,003</u>