

Registered number 4973992

Devon and Cornwall Railways Limited

Directors' report and financial statements
for the period ended 31 December 2009

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COMPANIES HOUSE

Devon and Cornwall Railways Limited

Company Information

Directors	E Ellis S Gregory K Busath (appointed 6 March 2009)
Company secretary	K Busath
Company number	4973992
Registered office	Stanhope Station Stanhope Bishop Auckland County Durham DL13 2YS
Auditors	Reeves+Neylan LLP Statutory Auditor & Chartered Accountants Third Floor 24 Chiswell Street London EC1Y 4YX

Devon and Cornwall Railways Limited

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Devon and Cornwall Railways Limited

Directors' report for the period ended 31 December 2009

The directors present their report and the financial statements for the period ended 31 December 2009

Statement of 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- 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.

Principal activities

The company does not currently trade. An application is pending with Office of Rail Regulation for licensing as a passenger and freight carrier.

Directors

The directors who served during the period were

E Ellis
S Gregory
K Busath (appointed 6 March 2009)

Provision of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

Devon and Cornwall Railways Limited

**Directors' report
for the period ended 31 December 2009**

Auditors

The auditors, Reeves+Neylan LLP, have indicated their willingness to remain in office

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006

This report was approved by the board on *25 August 2010* and signed on its behalf



K Busath
Director

Devon and Cornwall Railways Limited

Independent auditors' report to the shareholders of Devon and Cornwall Railways Limited

We have audited the financial statements of Devon and Cornwall Railways Limited for the period ended 31 December 2009, set out on pages 5 to 9. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 Auditors' 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 auditors

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

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its loss for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, 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 Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Devon and Cornwall Railways Limited

Independent auditors' report to the shareholders of Devon and Cornwall Railways Limited

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, or
- the directors were not entitled to prepare the financial statements and the Directors' report in accordance with the small companies regime

Reeves + Neylan

Neil Harris BSc ACA (Senior statutory auditor)

for and on behalf of
Reeves+Neylan LLP

Statutory Auditor
Chartered Accountants

Third Floor
24 Chiswell Street
London
EC1Y 4YX

Date *2 September 2010.*

Devon and Cornwall Railways Limited

**Profit and loss account
for the period ended 31 December 2009**

		16 months ended 31 December 2009 £	Year ended 31 August 2008 £
	Note		
Administrative expenses		<u>(197,850)</u>	<u>-</u>
Operating loss	2	<u>(197,850)</u>	<u>-</u>
(Loss)/profit on ordinary activities before taxation		<u>(197,850)</u>	<u>-</u>
Tax on loss on ordinary activities	3	<u>-</u>	<u>-</u>
Loss for the financial period		<u><u>(197,850)</u></u>	<u><u>-</u></u>

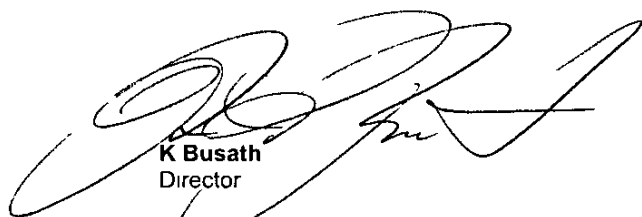
Devon and Cornwall Railways Limited
Registered number 4973992

Balance sheet
as at 31 December 2009

		31 December 2009	31 August 2008
	Note	£	£
Current assets			
Debtors	4	20,841	10
Creditors amounts falling due within one year	5	(32,964)	-
Net current (liabilities)/assets		(12,123)	10
Total assets less current liabilities		(12,123)	10
Creditors amounts falling due after more than one year	6	(185,717)	-
Net (liabilities)/assets		(197,840)	10
Capital and reserves			
Called up share capital	7	10	10
Profit and loss account		(197,850)	-
Shareholders' (deficit)/funds		(197,840)	10

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on *25 August 2010.*



K Busath
 Director

The notes on pages 7 to 9 form part of these financial statements

Devon and Cornwall Railways Limited

Notes to the financial statements for the period ended 31 December 2009

1 Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

1.2 Going concern

Notwithstanding that the group has net liabilities of £197,840 at the balance sheet date, the financial statements have been prepared on a going concern basis. The directors believe that adequate funding and investment to ensure the company can meet its financial obligations as they fall due will be available to the company for the foreseeable future from continued financial support from British American Railway Services Limited.

The directors, having assessed the responses of the directors of the company's parent, British American Railway Services Limited, to their enquiries have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the company to continue as a going concern.

1.3 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.4 Licence costs

Costs incurred by the company in obtaining a Rail Operators Licence are being charged to the profit and loss account during the period in which they are incurred. Costs meeting the definition of an asset in accordance with FRS15 will be capitalised and amortised to the profit and loss account over the period of the licence.

2 Operating (loss)/profit

During the period, no director received any emoluments (2008 - £NIL)

Auditors remuneration for the period was £2,800 (2008 - £NIL)

Devon and Cornwall Railways Limited

Notes to the financial statements for the period ended 31 December 2009

3 Taxation

	16 months ended 31 December 2009 £	Year ended 31 August 2008 £
UK corporation tax charge on loss for the period/year	-	-

Factors that may affect future tax charges

The company has trading losses of £197,850 available for offset against future trading profits

4 Debtors

	31 December 2009 £	31 August 2008 £
Amounts owed by group undertakings	-	10
Other debtors	20,841	-
	20,841	10

5 Creditors **Amounts falling due within one year**

	31 December 2009 £	31 August 2008 £
Trade creditors	30,696	-
Other creditors	2,268	-
	32,964	-

Devon and Cornwall Railways Limited

**Notes to the financial statements
for the period ended 31 December 2009**

6 Creditors
Amounts falling due after more than one year

	31 December 2009	31 August 2008
	£	£
Amounts owed to group undertakings	185,717	-

7 Share capital

	31 December 2009	31 August 2008
	£	£
Allotted, called up and fully paid		
10 Ordinary shares of £1 each	10	10

8 Related party transactions

The company has taken advantage of the exemptions available under accounting standards not to disclose details of transaction with related parties by virtue of the fact that these financial statements are included in the consolidated financial statements of British American Railway Services Limited

9 Ultimate parent undertaking and controlling party

The directors consider that the ultimate parent undertaking and controlling party of this company as at the balance sheet date is Iowa Pacific Holdings LLC, based in the United States

The largest and smallest group of undertakings for which group accounts have been produced is that headed by British American Railway Services Limited