

WyvernRail plc

Annual Report

and

Financial Statements

For

The Year Ended

31 October 2009

Company Registration Number 02754846

WyvernRail plc

Notice of Annual General Meeting

Company Registration Number 02754846

The Companies Act 2006

NOTICE IS HEREBY GIVEN under the Act mentioned above of the **Annual General Meeting** of the above Company to be held at **Wirksworth Town Hall, Wirksworth** on **Saturday 17th April 2010 at 14.00 hours** for the purposes of considering and, if thought fit, passing resolutions as to the ordinary and special business of the Company relating to its directors, auditors and accounts.

Members are invited to visit Wirksworth Station from 11.00 hours onward and prior to the meeting to view the activity on site.

By order of the Board of Directors

Beverley Miller – Company Secretary

28th February 2010

Notes

1. Any member of the Company entitled to attend, speak and vote at the above mentioned meeting may appoint a proxy or proxies to attend, speak and, on a poll, vote instead of that member. A proxy may demand, or join in demanding, a poll. A proxy need not be a member of the Company. A proxy form can be found at the back of this booklet and should be completed to reflect the member's wishes.
2. A copy of the balance sheet and every document required by law to be annexed to it, which is laid before the above mentioned meeting, is attached. The statutory registers are available for inspection during normal business hours without charge at the registered office of the Company.

WyvernRail plc

Agenda for Annual General Meeting to be held on 17th April 2010

1. To receive apologies for absence.
2. To read the minutes of the last Annual General Meeting of the Company
3. To receive the Chairman's and Directors' Report.
4. To receive the accounts for the year ended 31st October 2009.
5. To appoint Directors. The directors due to retire by rotation are G Kenning and P Tarry. These Directors offer themselves for re-appointment. Michael Thomas offers himself for appointment.

(Note- Under article 105 no person other than a Director retiring at the meeting shall, unless recommended by the Directors, be eligible for election to the office of Director at any general meeting, unless not less than 7 nor more than 21 days before the date appointed for the meeting there has been left at the Office a notice In Writing, signed by a member (not being the person to be proposed) duly qualified to attend and vote at the meeting, of his intention to propose the person for election, and a notice In Writing signed by that person of his willingness to be elected. Under Article 84(B) no person shall hold the office of Director of the Company unless he shall have registered in his name 2,000 Ordinary or Founders Shares of £1 each in the capital of the Company.)

6. To re-appoint Beever and Struthers, Chartered Accountants, as auditors of the Company and to authorise the Directors to fix their remuneration.

Special Business

To consider and, if thought fit, pass the following resolutions which will be proposed as resolution 7 as an Ordinary Resolution and as to resolution 8 as a Special Resolution.

7. That the directors be and are hereby generally and unconditionally authorised for the purpose of Section 551 of the Companies Act 2006 ("the Act") (in substitution for the unexercised portion of any authority previously conferred on them) to allot relevant securities (within the meaning of that Section) up to a maximum aggregate nominal amount equal to the balance of the authorised but unissued share of the Company as at the date of the passing of this resolution and to make any offer or agreement which may require any such relevant securities to be allotted after the expiry of this authority, in each case on such terms as the directors may determine, such authority to expire on the conclusion of the next Annual General Meeting of the Company, or any adjournment thereof, save that the Company may before said expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry, and the directors may allot relevant securities in pursuance of such offer or agreement as if the authority conferred by this resolution had not expired.
8. That, subject to the passing of resolution 7 above, the directors of the Company be and they are hereby empowered, pursuant to Sections 570 and 571 of the Act, to allot equity securities (within the meaning of Section 560 of the Act) for cash pursuant to the authority conferred on them under Section 551 of the Act as if Section 561(1) of the Act did not apply to such allotment, provided that this power shall be limited to the allotment of equity securities up to an aggregate nominal value equal to the balance of the authorised but unissued share of the Company as at the date of the passing of this resolution and shall expire on the conclusion of the next Annual General Meeting of the Company, or any adjournment thereof, save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry, and the directors may allot relevant securities in pursuance of such offer or agreement as if the authority conferred by this resolution had not expired.
(Note- the above two resolutions enable the Company to continue to issue shares to the public.)
9. To transact any other ordinary business.

WyvernRail plc
Financial Statements
Year Ended 31 October 2009

Contents	Pages
Officers and Professional Advisers	4
Chairman's Statement	5 to 8
The Directors' Report	9 to 11
Independent Auditor's Report to the Shareholders	12 to 13
Profit and Loss Account	14
Statement of Total Recognised Gains and Losses	15
Balance sheet	16
Cash flow statement	17
Notes to the financial statements	18 to 29
Detailed Profit and Loss Account	30
Notes to the Detailed Profit and Loss Account	31
Proxy voting and proxy form	32

WyvernRail plc
Officers and Professional Advisers

The Board of Directors

J R Snell
N Ferguson - Lee
M S Miller
G R Kenning
P J Tarry
M Evans
T Birtwistle

Company Secretary

B Miller

Registered Office

Wirksworth Station
Coldwell Street
Wirksworth
Derbyshire
DE4 4FB

Auditor

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

Bankers

National Westminster Bank Plc
Matlock Dale Road
19 Dale Road
Matlock
Derbyshire
DE4 3YA

WyvernRail plc
Chairman's Statement
Year Ended 31 October 2009

I have pleasure in presenting the company's Annual Report for the financial year ended 31 October 2009.

2009 has been another buoyant year for our Railway. As well as being able to consolidate our previous growth following the extension of passenger train services between Wirksworth and Idridgehay in 2008, we have been able to make remarkable progress on the task of rehabilitating the section between Idridgehay and Duffield. This has been greatly assisted by our full-time management team of Martin Miller and Phil Tarry being successful in negotiating a grant of over £200,000 from the East Midlands Development Agency to secure and develop the line as a testing facility for rail-mounted civil engineering equipment. This has provided our training and testing business (MyTestTrack.com) with greater security and enabled our trading profit and shareholder support to be applied to the additional requirements (signalling, platforms, signage and fencing, car parking, etc.) specifically for future passenger operation.

As summarised in the business review, the past year has seen a period of further growth in turnover with an increase of 32% over that recorded for the last financial year and a resulting net profit of £24,771, 38% higher than that recorded for the previous year. This profit was generated across all our business activities, with MyTestTrack.com and our film and TV industry business centre Railfilmlocations.biz both making a significant contribution. Our entry into the Driver Experience market has also brought very encouraging results alongside our more traditional passenger-oriented business activities. The increase in profits has also been extremely encouraging when it is considered that we now have to cover the costs of maintaining 4 miles of passenger railway and its associated infrastructure. Once more the profit from our trading activities has been combined with further support from our shareholders, donations and grant aid to enable capital investment of £253,085 towards the "Dash To Duffield" and associated plant and machinery.

The accounts also show a prior year adjustment of £20,000. This is because it was agreed during 2009 that a donation of £20,000 should have been treated as a purchase of ordinary £1 shares. This reduces the profit and loss reserve by £20,000 but has a longer term benefit against future corporation tax liabilities.

In my last report I made reference to our lease with Network Rail and the provision that was incorporated to permit our purchase of the outright freehold of the Railway for £1 if we obtained the statutory powers to permit sale rather than leasing of the Railway. Since then the Board has approved the draft of a new Transport & Works Act application to grant us the necessary powers to exercise this option and we intend to make the application during 2010; so as to have complete control over the future direction of our business.

WyvernRail plc

Chairman's Statement *(continued)*

Year Ended 31 October 2009

Thanks to the unwavering support of our volunteer workforce and the funding that the company has been able to generate, the Dash To Duffield is on target for completion of works to the point that we may offer them for approval by Her Majesty's Railway Inspectorate before the end of 2010. We consider, however, that it would be sensible to have a period of staff training, timetable proving and completion of minor works that will ensure our visitors receive a top class day out when they come to our railway. Since this would result in the public service being launched in deep mid-winter, not the best time to launch a tourist enterprise, we have set the date for general public service on the whole line as April 2011; this will enable the Railway to obtain maximum publicity before the Easter holiday period.

In accordance with the prospectus and in advance of next year's opening, we have pleasure in enclosing a shareholder's pass with this report. Please keep it with you when you visit the railway as it will be used in future as the means by which you will receive discounted travel in accordance with the number of shares you hold. In turn, and as an interim measure we enclose a shareholder's ticket for travel this year. It covers travel for multiple shareholders as well as individuals: just inform the booking office when you travel and they will sort out the details.

The company has provided financial assistance to our colleagues in EVRA to complete the restoration of steam locomotive "Ferrybridge No.3" within the timescale required by their Heritage Lottery Grant so that 2010 will see the first operational steam locomotive to be based at Wirksworth. It is certain to be kept very busy on the Incline service and other activities to attract visitors.

This AGM will see the departure of two hard working members of our team on the Board.

Tom Birtwistle is retiring as a director and finance manager. Tom has done sterling work in setting up an effective financial system that has ensured that costs and income can be effectively monitored and early action taken as required. To have travelled from the Lake District on a regular basis to oversee our finances has shown remarkable dedication to the Railway.

Bev Miller will be resigning as company secretary because of the increased workload of her new employment. As well as formally recording board meetings and advising the Board on corporate responsibilities and associated legislation, Bev has been responsible for maintaining the share register and for ensuring that transfers are carried out and queries answered, etc. This has required considerable behind the scenes activity and the Board is grateful to her for the excellent voluntary service she has given to the company.

During the year we also received the resignations of George Watson, our long-serving Vice-Chairman who was very prominent in the preparation of our share issue, for health reasons and of Steve Lyne. We thank them both for the service they have given to the company.

WyvernRail plc

Chairman's Statement *(continued)*

Year Ended 31 October 2009

Our policy is always to respond to change by being proactive. The arrival of our passenger services in Duffield in 2010-11 will see the potential visitor market for our Railway increase dramatically with Derby, Nottingham and Leicester being within easy reach. Duffield station will be a key factor in our progress and have been successful in securing additional land at Duffield between our platform and the disused platform that forms our footpath link to the East Midlands Trains station. This, together with the work that is being undertaken to develop car parking facilities at Duffield, will permit a significantly bigger station development at Duffield and will create enhanced trading opportunities.

We are conscious that we need to raise our profile in passenger-related activities in the run-up to the opening of the extension so that we are well placed to maximise the potential returns. Therefore we have decided that in early 2010 we shall appoint a part-time passenger services manager and a full-time catering manager. The increase in overheads will mean an immediate challenge to those in the new positions to deliver a financial performance that matches that achieved this year by our purely volunteer team but, as with previous decisions to appoint full-time staff to develop our testing activities, we are confident that good quality professional leadership can assure the best co-ordination of our enthusiastic volunteer workforce.

We are also in dialogue with East Midlands Trains; exploring opportunities for publicising the full reopening of the railway and hopefully providing through ticketing from main line services. Longer term, we hope also to sell tickets for the National Rail network.

During 2009 our volunteer workforce in EVRA achieved massive progress on the extension to Duffield, every week changing scores of sleepers, laying new track and disposing of decades of vegetation; we even have a mile of Continuous Welded Rail track between Idridgehay and Shottle, whilst also operating our public railway services and associated trading but, as always, continuing finance is vital if we are to have a whole line public passenger railway with adequate facilities for profitable trading running in 2011.

Last year the Shareholders contributed over £24,000 towards the Dash To Duffield. Whilst our trading profits are ploughed into the continuing restoration and improvement of the Railway, on-going support from shareholders remains vital in completing the Duffield link with a station platform and trading facilities that we can be proud of. Consequently I am confident of a positive response in asking again to please consider whether you can increase your personal holding, the tax incentives for subscriptions of £500 or more are still in place for taxpayers, and encourage your friends and colleagues to take a stake in what is truly the region's fastest-growing private independent railway. With your ongoing support the next 12 months will truly see the hope transform into the reality!

John Snell
Chairman

WyvernRail plc

Chairman's Statement *(continued)*

Year Ended 31 October 2009

DIRECTORS STANDING FOR RE-ELECTION

Phil Tarry

I joined the project in 2000, before we were allowed onto the Wirksworth site. I have been attending site ever since. I am now the Project Manager for the reopening and rebuilding of the infrastructure, with particular reference to the Permanent Way. I am a member of the Permanent Way Institution. I am involved in the design, procurement, and logistics of track materials, as well as the installation and maintenance. I am also responsible for the day to day operations of My Test Track – one of our principal sources of income. I am also on-board train manager for all filming work.

I still maintain my contacts with many contractors for Network Rail, where I can be found on occasions as a Site Manager on Engineering Possessions.

Gavin Kenning

Gavin started work as an engineering student apprentice at Perkins Engines in Peterborough and has a degree in Mechanical and Production Engineering. Since then he has built up his own business manufacturing market stalls and supplying equipment and supplies to retailers. His experience brings engineering and up to date small business knowledge to Wyvern Rail.

Gavin has been involved in the practical work of reopening the railway since the early days of us having access to the railway line and is involved alongside EVRA volunteers mainly on the Permanent Way Team. On the Wyvern Rail Board Gavin is responsible for liaison with EVRA and attends their regular meetings.

Michael Thomas

I have been involved with Railway preservation for 22 years and during that time have held office as Managing Director, Senior Engineer, Chairman, S & T engineer, P Way engineer and Project Manager for various organisations. In years past I have also experience running my own business as Managing Director of a Jensen dealership and currently as a qualified electrician. I am a life member of EVRA and have carried out various works on behalf of Wyvern Rail including the design and installation supervision of P way, platform construction, the required signalling works for the incline line, phase 1, phase 2 and the design and installation of P way crossovers at Duffield in addition to the mechanical signalling installations at Shottle and Duffield. As my children are now of an age that gives me more free time I would like to become a Director of Wyvern and feel I can make a useful contribution towards the future of the Railway.

WyvernRail plc
The Directors' Report
Year Ended 31 October 2009

The directors present their report and the financial statements of the company for the year ended 31 October 2009.

Principal Activities and Business Review

The principal activity of the company during the year under review was that of operating a light railway.

Further significant year on year growth was experienced as the company continued to develop its business activities within the security of a formal lease of the railway. Turnover increased by 32% and an operating profit of £34,655 was recorded. After receiving interest and paying the interest on the line purchase and other loans, the net profit for the year was £24,771.

During the year a further £24,400 of share capital was raised, primarily to fund work on the extension to Duffield.

Results and Dividends

The profit for the year amounted to £24,771. The directors have not recommended a dividend.

Financial Instruments

Details of the company's financial risk management objectives and policies are included in note 16 to the accounts.

Directors

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

J R Snell
N Ferguson - Lee
G I Watson
M S Miller
G R Kenning
P J Tarry
M Evans
S Lyne
T Birtwistle

G I Watson retired as a director on 17 May 2009.

S Lyne retired as a director on 8 June 2009.

WyvernRail plc

The Directors' Report *(continued)*

Year Ended 31 October 2009

Policy on the Payment of Creditors

In respect of its suppliers, it is the company's policy to abide to the terms of payment with all of its suppliers. The amount of trade creditors shown at the balance sheet date represents 524 days (2008 - 92 days) of average daily purchases for the company.

The increase in creditor days can be explained by the following:

All standard purchases are paid within the agreed credit terms.

A number of suppliers carry out work on the development of the light railway due to a receipt of grant money from the East Midlands Development Agency. The invoices for this work are required to be sent to the grant provider often before the service has been provided and as a result this increases the creditor days, which is not representative of the company.

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.

WyvernRail plc

The Directors' Report *(continued)*

Year Ended 31 October 2009

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:
Wirksworth Station
Coldwell Street
Wirksworth
Derbyshire
DE4 4FB

Signed by order of the directors

B Miller
Company Secretary

Approved by the directors on 26 February 2010

WyvernRail plc

Independent Auditor's Report to the Shareholders of WyvernRail plc

Year Ended 31 October 2009

We have audited the financial statements of WyvernRail plc for the year ended 31 October 2009 on pages 14 to 29. 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 pages 10 to 11, 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 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 October 2009 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

WyvernRail plc

Independent Auditor's Report to the Shareholders of WyvernRail plc *(continued)*

Year Ended 31 October 2009

Opinion on Other Matters Prescribed by the Companies Act 2006

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

Matters on Which We are Required to Report by Exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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

26 February 2010

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

WyvernRail plc
Profit and Loss Account
Year Ended 31 October 2009

	Note	2009 £	2008 <i>(restated)</i> £
Turnover	2	177,035	134,030
Cost of sales		<u>49,947</u>	<u>39,009</u>
Gross profit		127,088	95,021
Administrative expenses		99,436	80,901
Other operating income	3	<u>(7,003)</u>	<u>(14,455)</u>
Operating profit	4	34,655	28,575
Interest receivable		916	709
Interest payable and similar charges	7	<u>(10,800)</u>	<u>(11,300)</u>
Profit on ordinary activities before taxation		24,771	17,984
Tax on profit on ordinary activities		—	—
Profit for the financial year		<u>24,771</u>	<u>17,984</u>

All of the activities of the company are classed as continuing.

The notes on pages 18 to 29 form part of these financial statements

WyvernRail plc

Statement of Total Recognised Gains and Losses

Year Ended 31 October 2009

	2009	2008 <i>(restated)</i>
	£	£
Profit for the financial year attributable to the shareholders	24,771	17,984
Total recognised gains and losses relating to the year	<u>24,771</u>	<u>17,984</u>
Prior year adjustment (see note 8)	<u>(20,000)</u>	<u>—</u>
Total gains and losses recognised since the last annual report	<u>4,771</u>	<u>17,984</u>

The notes on pages 18 to 29 form part of these financial statements

WyvernRail plc

Balance Sheet

31 October 2009

		2009		2008 (restated)	
	Note	£	£	£	£
Fixed assets					
Intangible assets	9		60,000		65,000
Tangible assets	10		759,606		532,607
			819,606		597,607
Current assets					
Stocks	11	5,030		3,561	
Debtors	12	32,679		15,703	
Cash at bank and in hand		143,163		45,772	
		180,872		65,036	
Creditors: Amounts Falling due Within One Year	13	172,689		52,943	
Net current assets			8,183		12,093
Total assets less current liabilities			827,789		609,700
Creditors: Amounts Falling due after More than One Year	14		351,444		182,526
			476,345		427,174
Capital and reserves					
Called-up equity share capital	20		553,390		528,990
Revaluation reserve	21		60,000		65,000
Profit and loss account	22		(137,045)		(166,816)
Shareholders' funds	23		476,345		427,174

These financial statements were approved by the directors and authorised for issue on 26 February 2010, and are signed on their behalf by:

J R Snell
Director

T Birtwistle
Director

Company Registration Number: 02754846

The notes on pages 18 to 29 form part of these financial statements

WyvernRail plc
Cash Flow Statement
Year Ended 31 October 2009

		2009		2008 <i>(restated)</i>	
	Note	£	£	£	£
Net cash inflow from operating activities	24		131,315		36,261
Returns on investments and servicing of finance	24		(9,884)		(10,591)
Capital expenditure and financial investment	24		(249,128)		(56,807)
Cash outflow before financing			<u>(127,697)</u>		<u>(31,137)</u>
Financing	24		200,752		40,144
Increase in cash	24		<u><u>73,055</u></u>		<u><u>9,007</u></u>

The notes on pages 18 to 29 form part of these financial statements

WyvernRail plc

Notes to the Financial Statements

Year Ended 31 October 2009

1. Accounting Policies

Basis of Accounting

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

Turnover

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

Intangible Fixed Assets

Amortisation is calculated so as to write off the cost of an asset over the useful economic life of that asset as follows:

Light Railway Order - over 20 years

Fixed Assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset over the useful economic life of that asset as follows:

Leasehold Property - over 30 years
Plant & Machinery - 25% on cost
Rolling Stock - 10% on cost

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from the revaluation reserve to the profit and loss reserve.

Stocks

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

Operating Lease Agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

WyvernRail plc
Notes to the Financial Statements
Year Ended 31 October 2009

1. Accounting Policies *(continued)*

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.

Trade and Other Debtors

Trade and other debtors are recognised and carried forward at invoice amounts less provisions for any doubtful debts. Bad debts are written off when identified.

Cash and Cash Equivalents

Cash and cash equivalents are included in the balance sheet at cost. Cash and cash equivalents comprise cash at bank and in hand and short term deposits with an original maturity of three months or less.

Interest-Bearing Loans and Borrowings

All loans and borrowings are recognised initially at cost, which is the fair value of the consideration received, net of issue costs associated with the borrowing.

After initial recognition, interest-bearing loans and borrowings are measured at amortised cost using the effective interest method. Gains or losses are recognised in the profit and loss account when liabilities are derecognised or impaired, as well as through the amortisation process.

Deferred Government Grants

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

2. Turnover

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

	2009	2008 <i>(restated)</i>
	£	£
United Kingdom	<u>177,035</u>	<u>134,030</u>

WyvernRail plc

Notes to the Financial Statements

Year Ended 31 October 2009

3. Other Operating Income

	2009	2008 <i>(restated)</i>
	£	£
Donations	5,976	10,420
Other operating income	1,027	4,035
	<u>7,003</u>	<u>14,455</u>

4. Operating Profit

Operating profit is stated after charging/(crediting):

	2009	2008 <i>(restated)</i>
	£	£
Amortisation of government grants re fixed assets	(14,148)	(7,216)
Amortisation of intangible assets	5,000	5,000
Depreciation of owned fixed assets	26,086	25,603
Profit on disposal of fixed assets	(3,957)	(9,512)
Auditor's remuneration	2,750	2,863
	<u>2,750</u>	<u>2,863</u>

	2009	2008 <i>(restated)</i>
	£	£
Auditor's remuneration - audit of the financial statements	2,750	2,863
	<u>2,750</u>	<u>2,863</u>

5. Particulars of Employees

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

	2009	2008 <i>(restated)</i>
	No	No
Number of staff	<u>3</u>	<u>3</u>

The aggregate payroll costs of the above were:

	2009	2008 <i>(restated)</i>
	£	£
Wages and salaries	32,283	22,144
Social security costs	3,956	2,548
	<u>36,239</u>	<u>24,692</u>

WyvernRail plc
Notes to the Financial Statements
Year Ended 31 October 2009

6. Directors' Remuneration

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

	2009	2008 <i>(restated)</i>
	£	£
Aggregate remuneration	<u>42,500</u>	<u>30,600</u>

Included within directors remuneration is £10,217 of capitalised wages.

7. Interest Payable and Similar Charges

	2009	2008 <i>(restated)</i>
	£	£
Other similar charges payable	<u>10,800</u>	<u>11,300</u>

8. Prior Year Adjustment

During the year ended 31 October 2007, the company received donations of £20,000 from an individual.

It was agreed during 2009 that the donation for £20,000 should have been treated as a purchase of ordinary £1 shares. This has resulted in a prior year adjustment which has decreased the reported profit and loss reserves as at 31 October 2007 by £20,000.

WyvernRail plc
Notes to the Financial Statements
Year Ended 31 October 2009

9. Intangible Fixed Assets

	Light Railway Order £
Cost	
At 1 November 2008 and 31 October 2009	<u>100,000</u>
Amortisation	
At 1 November 2008	35,000
Charge for the year	<u>5,000</u>
At 31 October 2009	<u>40,000</u>
Net book value	
At 31 October 2009	<u>60,000</u>
At 31 October 2008	<u>65,000</u>

The company has a light railway order which has been valued independently on 21 April 2001 at £100,000 by 1a Enterprises Limited, 51 Oakerthorpe Road, Bolehill, Wirksworth, Derbyshire, DE4 4GD.

The asset had no original cost and therefore no amortisation would have been originally charged.

10. Tangible Fixed Assets

	Leasehold Property £	Plant & Machinery £	Rolling Stock £	Total £
Cost or valuation				
At 1 November 2008	578,138	31,292	30,103	639,533
Additions	<u>250,098</u>	<u>2,987</u>	–	<u>253,085</u>
At 31 October 2009	<u>828,236</u>	<u>34,279</u>	<u>30,103</u>	<u>892,618</u>
Depreciation				
At 1 November 2008	72,586	21,668	12,672	106,926
Charge for the year	<u>19,280</u>	<u>3,996</u>	<u>2,810</u>	<u>26,086</u>
At 31 October 2009	<u>91,866</u>	<u>25,664</u>	<u>15,482</u>	<u>133,012</u>
Net book value				
At 31 October 2009	<u>736,370</u>	<u>8,615</u>	<u>14,621</u>	<u>759,606</u>
At 31 October 2008	<u>505,552</u>	<u>9,624</u>	<u>17,431</u>	<u>532,607</u>

WyvernRail plc
Notes to the Financial Statements
Year Ended 31 October 2009

11. Stocks

	2009	2008 <i>(restated)</i>
	£	£
Stock	<u>5,030</u>	<u>3,561</u>

12. Debtors

	2009	2008 <i>(restated)</i>
	£	£
Trade debtors	12,508	15,129
Other debtors	20,000	–
Prepayments and accrued income	171	574
	<u>32,679</u>	<u>15,703</u>

13. Creditors: Amounts Falling due Within One Year

	2009		2008 <i>(restated)</i>	
	£	£	£	£
Other loan		18,000		18,000
Overdrafts		30,577		6,241
Trade creditors		96,744		11,779
Other creditors including taxation and social security:				
Other taxation and social security	7,170		4,021	
Other creditors	1,699		1,837	
Share applications	800		300	
Deferred government grants	14,149		7,215	
		<u>23,818</u>		13,373
Accruals and deferred income		3,550		3,550
		<u>172,689</u>		<u>52,943</u>

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

	2009	2008 <i>(restated)</i>
	£	£
Other creditors:		
Other creditors	244,638	57,720
Other loan	72,000	90,000
Members' loan	34,806	34,806
	<u>351,444</u>	<u>182,526</u>

WyvernRail plc

Notes to the Financial Statements

Year Ended 31 October 2009

15. Creditors - Other Loan

Creditors include finance capital which is due for repayment as follows:

	2009	2008 <i>(restated)</i>
	£	£
Amounts repayable:		
In one year or less or on demand	18,000	18,000
In more than one year but not more than two years	18,000	18,000
In more than two years but not more than five years	54,000	72,000
	<u>90,000</u>	<u>108,000</u>

16. Financial Risk Management Objectives and Policies

The company holds or issues financial instruments in order to achieve three main objectives, being:

(a) to finance its operations;

(b) to manage its exposure to interest risks arising from its operations and from its sources of finance; and

(c) for trading purposes.

In addition, various financial instruments (e.g. trade debtors, trade creditors, accruals and prepayments) arise directly from the company's operations.

Transactions in financial instruments result in the company assuming or transferring to another party one or more of the financial risks described below.

Interest rate risk

The company has managed its interest rate risk by borrowing at a fixed rate.

Credit risk

The company monitors credit risk closely and considers that its current policies of credit checks meet its objectives of managing exposure to credit risk.

Liquidity risk

The company monitors its cash flow closely on a day-to-day basis.

WyvernRail plc

Notes to the Financial Statements

Year Ended 31 October 2009

17. Commitments under Operating Leases

At 31 October 2009 the company had annual commitments under non-cancellable operating leases as set out below.

	Assets other than Land and buildings	
	2009	2008
	£	(restated) £
Operating leases which expire:		
Within 2 to 5 years	<u>903</u>	<u>903</u>

18. Transactions With the Directors

The following transactions took place with directors of the company:

S Lyne was paid an amount of £5,580 (2008: £3,771) for work carried out in respect of the Idridgehay to Duffield project.

M Evans was paid an amount of £6,769 (2008: £5,522) for services provided in respect of hire of rolling stock, which was distributed to the owners.

T Birtwistle was paid £Nil (2008: £500) in interest on a short term unsecured loan to WyvernRail plc. This loan has been repaid in full.

19. Related Party Transactions

The charity, EVRA, works with the company in its objectives of enhancing the visitors' enjoyment of the Ecclesbourne Valley Railway. It has obtained a total of £250,635 for this objective since 2001 which comprises grants of £221,635 and two major donations of £29,000.

During the year WyvernRail plc advanced a loan for £20,000 to EVRA which is included in other debtors. The loan is interest free and there are no scheduled repayment terms.

20. Share Capital

Authorised share capital:

	2009	2008
	£	(restated) £
2,750,000 Ordinary shares of £1 each shares of £1 each	<u>2,750,000</u>	2,750,000
250,000 Founder shares of £1 each shares of £1 each	<u>250,000</u>	250,000
	<u>3,000,000</u>	<u>3,000,000</u>

WyvernRail plc

Notes to the Financial Statements

Year Ended 31 October 2009

20. Share Capital *(continued)*

Allotted, called up and fully paid:

	2009		2008 <i>(restated)</i>	
	No	£	No	£
521,390 Ordinary shares of £1 each shares (2008 - 496,990) of £1 each	521,390	521,390	496,990	496,990
32,000 Founder shares of £1 each shares of £1 each	32,000	32,000	32,000	32,000
	<u>553,390</u>	<u>553,390</u>	<u>528,990</u>	<u>528,990</u>

During the year 24,400 (2008: 65,360) ordinary £1 shares were issued at par.

21. Revaluation Reserve

	2009	2008 <i>(restated)</i>
	£	£
Balance brought forward	65,000	70,000
Transfer to the Profit and Loss Account on realisation	(5,000)	(5,000)
Balance carried forward	<u>60,000</u>	<u>65,000</u>

22. Profit and Loss Account

	2009	2008 <i>(restated)</i>
	£	£
Balance brought forward as previously reported	(146,816)	(189,800)
Prior year adjustment (see note 8)	(20,000)	—
Balance brought forward restated	(166,816)	(189,800)
Profit for the financial year	24,771	17,984
Transfer from revaluation reserve	5,000	5,000
Balance carried forward	<u>(137,045)</u>	<u>(166,816)</u>

WyvernRail plc
Notes to the Financial Statements
Year Ended 31 October 2009

23. Reconciliation of Movements in Shareholders' Funds

	2009	2008 <i>(restated)</i>
	£	£
Profit for the financial year	24,771	17,984
New ordinary share capital subscribed	24,400	65,360
Transfer from revaluation reserve	5,000	5,000
Transfer to profit and loss account	(5,000)	(5,000)
Net addition to shareholders' funds	49,171	83,344
Opening shareholders' funds	447,174	343,830
Prior year adjustment (see note 8)	(20,000)	–
Closing shareholders' funds	<u>476,345</u>	<u>427,174</u>

24. Notes to the Cash Flow Statement

Reconciliation of Operating Profit to Net Cash Inflow from Operating Activities

	2009	2008 <i>(restated)</i>
	£	£
Operating profit	34,655	28,575
Amortisation	5,000	5,000
Depreciation	26,086	25,603
Profit on disposal of fixed assets	(3,957)	(9,512)
Increase in stocks	(1,469)	(776)
Increase in debtors	(16,976)	(8,602)
Increase/(decrease) in creditors	87,976	(4,027)
Net cash inflow from operating activities	<u>131,315</u>	<u>36,261</u>

Returns on Investments and Servicing of Finance

	2009	2008 <i>(restated)</i>
	£	£
Interest received	916	709
Interest paid	(10,800)	(11,300)
Net cash outflow from returns on investments and servicing of finance	<u>(9,884)</u>	<u>(10,591)</u>

WyvernRail plc
Notes to the Financial Statements
Year Ended 31 October 2009

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

Capital Expenditure

	2009	2008 <i>(restated)</i>
	£	£
Payments to acquire tangible fixed assets	(253,085)	(67,320)
Receipts from sale of fixed assets	3,957	10,513
Net cash outflow from capital expenditure	<u>(249,128)</u>	<u>(56,807)</u>

Financing

	2009	2008 <i>(restated)</i>
	£	£
Issue of equity share capital	24,400	65,360
Net inflow from other short-term creditors	7,434	–
Net inflow/(outflow) from other long-term creditors	168,918	(25,216)
Net cash inflow from financing	<u>200,752</u>	<u>40,144</u>

Reconciliation of Net Cash Flow to Movement in Net Debt

	2009		2008 <i>(restated)</i>	
	£	£	£	£
Increase in cash in the period	73,055		9,007	
Net (inflow) from other short-term creditors	(7,434)		–	
Net cash (inflow) from/outflow from other long-term creditors	<u>(168,918)</u>		<u>25,216</u>	
		<u>(103,297)</u>		34,223
Change in net debt		<u>(103,297)</u>		34,223
Net debt at 1 November 2008		<u>(150,510)</u>		<u>(184,733)</u>
Net debt at 31 October 2009		<u>(253,807)</u>		<u>(150,510)</u>

WyvernRail plc
Notes to the Financial Statements
Year Ended 31 October 2009

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

Analysis of Changes in Net Debt

	At 1 Nov 2008 £	Cash flows £	At 31 Oct 2009 £
Net cash:			
Cash in hand and at bank	45,772	97,391	143,163
Overdrafts	(6,241)	(24,336)	(30,577)
	<u>39,531</u>	<u>73,055</u>	<u>112,586</u>
Debt:			
Debt due within 1 year	(7,515)	(7,434)	(14,949)
Debt due after 1 year	(182,526)	(168,918)	(351,444)
	<u>(190,041)</u>	<u>(176,352)</u>	<u>(366,393)</u>
Net debt	<u>(150,510)</u>	<u>(103,297)</u>	<u>(253,807)</u>

25. Controlling Party

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

WyvernRail plc
Detailed Profit and Loss Account
Year Ended 31 October 2009

	2009		2008 <i>(restated)</i>	
	£	£	£	£
Turnover				
On track contracts and services		107,500		67,835
Rents and utilities		13,815		13,432
Passenger services		54,654		48,351
Other income		1,066		4,412
		<u>177,035</u>		<u>134,030</u>
Cost of sales				
Opening stock and work-in-progress	3,561		2,785	
Shop purchases	15,515		7,011	
On track contracts and services	9,331		7,658	
Passenger trains' operating costs	26,570		25,116	
	<u>54,977</u>		<u>42,570</u>	
Closing stock and work-in-progress	(5,030)		(3,561)	
		<u>49,947</u>		<u>39,009</u>
Gross profit		<u>127,088</u>		<u>95,021</u>
Overheads				
Administrative expenses		99,436		80,901
		<u>27,652</u>		<u>14,120</u>
Other operating income		7,003		14,455
Operating profit		<u>34,655</u>		<u>28,575</u>
Deposit account interest receivable		916		709
		<u>35,571</u>		<u>29,284</u>
Loan interest		(10,800)		(11,300)
Profit on ordinary activities		<u><u>24,771</u></u>		<u><u>17,984</u></u>

This page does not form part of the financial statements

WyvernRail plc
Detailed Profit and Loss Account
Year Ended 31 October 2009

	2009		2008 <i>(restated)</i>	
	£	£	£	£
Administrative expenses				
Personnel Costs				
Directors remuneration	32,283		22,144	
Directors national insurance contributions	3,956		2,548	
		36,239		24,692
Establishment Expenses				
Rent	4,567		4,733	
Rates and water	737		163	
Light and heat	8,486		2,658	
Insurance	3,140		3,778	
Repairs and renewals	11,755		11,158	
Site expenses	9,828		8,468	
		38,513		30,958
General Expenses				
Fuel and oil	1,841		4,908	
Telephone	1,168		554	
Printing, stationery and postage	1,294		652	
Cost of servicing shareholders	2,113		1,820	
Sundry expenses	1,439		(275)	
Legal and professional fees	–		43	
Auditors remuneration	2,750		2,863	
Amortisation	5,000		5,000	
Depreciation of track renewals	19,280		19,337	
Depreciation of plant and machinery	3,996		3,256	
Depreciation of rolling stock	2,810		3,010	
Amortisation of government grants	(14,148)		(7,216)	
Loss/(Profit) on disposal of fixed assets	(3,957)		(9,512)	
		23,586		24,440
Financial Costs				
Bank charges		1,098		811
		99,436		80,901
Other operating income				
Sundry receipts		1,027		4,035
Donations		5,976		10,420
		7,003		14,455
Interest receivable				
Deposit account interest receivable		916		709

This page does not form part of the financial statements

Proxy Voting

1. Any member of the company entitled to attend, speak and vote at the Annual General Meeting may appoint a proxy or proxies to attend, speak and, on poll, vote instead of that member. A proxy may demand, or join in demanding, a poll. A proxy need not be a member of the Company.
2. If this form is returned without any indication as to how the proxy shall vote, the proxy will be free to vote on any particular matter as he/she thinks fit or abstain from voting. Please initial any alterations made when completing the form.
3. This form must be deposited not less than 48 hours before the meeting (or in the case of a poll not less than 24 hours before the taking of the poll).
4. This form should be returned to the Company Secretary, WyvernRail plc, Wirksworth Station, Coldwell Street, Wirksworth, Derbyshire, DE4 4FB.

Proxy Form WyvernRail plc

I / We _____ of _____
Being a member of the above named Company hereby appoint _____
of _____

Or failing her / him, B Miller of WyvernRail plc as my/our proxy to vote for me/us on my/our behalf at the annual general meeting of the Company to be held on Saturday 17th April 2010, and at any adjournment thereof. This form to be used in respect of the resolutions mentioned below as follows:-

- | | |
|---|-------------|
| 1. To accept the Minutes of the last AGM | For/Against |
| 2. To receive the Chairman’s and Directors’ Report. | For/Against |
| 3. To receive the accounts for the year ended 31 st October 2009 | For/Against |
| 4. To re-elect Phil Tarry | For/Against |
| 5. To re-elect Gavin Kenning | For/Against |
| 6. To elect Michael Thomas | For/Against |
| 7. To appoint Auditors | For/Against |
| 8. To authorize the continued issue of shares | For/Against |
| 9. To authorize the continued issue of shares to the public | For/Against |
| 11. To vote on any other ordinary business. | For/Against |

Unless otherwise instructed the proxy may vote as he/she thinks fit or abstain from voting.

Signed Date.....2010

Full name

Address.....
.....