

Company no. 02968284
Charity no. 1041901

**West Somerset Railway Association
Report and Unaudited Financial Statements**

Year ended 31 March 2021

West Somerset Railway Association

Reference and administrative details

For the year ended 31 March 2021

Company number 02968284

Charity number 1041901

Registered Address	The Railway Station Bishops Lydeard Taunton Somerset TA4 3BX	
Trustees	Geoffrey Garfield John Glover Michael Lea Nigel Power Michael Sherwood Robin White Diana Ricketts-Turner Barrie Childs Jeffery Price	Sabbatical Feb 2020 – Sept 2020 Resigned 8 December 2020 Resigned 26 September 2020 Appointed 26 September 2020 Appointed 26 September 2020
Key Management Personnel	Jacque Green Keith Sandford Kat Sims	General Manager Administrator Bookkeeper
Bankers	Royal Bank of Scotland Drummond House 1 Redheughs Avenue Edinburgh EH12 9JN	Lloyds Bank 27 Fore Street Redruth TR15 2BJ
Solicitors	Bates Wells 10 Queen Street Place London EC4R 1BE	Bailhache Law 2 Church Square Taunton TA1 1SA
Independent Examiners	Azets Secure House Lulworth Close Chandlers Ford Southampton SO53 3TL	

Report of the trustees

For the year ended 31 March 2021

Reference and administrative information set out on page 2 forms part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice - Accounting and Reporting by Charities (effective from January 2019).

Structure, governance and management

The charity is a company limited by guarantee governed by Memorandum and Articles, which were substantially revised to bring them up to date at the AGM on 30 September 2017. Trustees are elected from the membership, and one third retire each year by rotation. Members are made aware before the election, of the skills sets of current and prospective trustees. The board has the power to co-opt trustees up to the prescribed maximum (currently 10).

The charity employs a General Manager, who remains responsible for WSRA (Promotions) Limited, its trading company, which it is intended to fully wind up by the end of the financial year ending March 2022. The trading company ceased active trading during the latter part of 2020 when the businesses were transferred to West Somerset Railway plc (WSR plc), the operating company of the West Somerset Railway.

Strategic decisions and those with significant financial effect are made by the trustees, while day-to-day running is delegated to the General Manager, in consultation where necessary with the Chair, Vice- Chair and/or Treasurer. The charity is a member of the Heritage Railway Association. In setting staff pay, the trustees are mindful of the rates paid by the WSR plc.

Objectives and activities

The charity's aims are:

- To enable individuals and external corporate organisations to have a supportive and interactive role with the West Somerset Railway;
- To channel the support of those individuals and external corporate organisations, so that it is beneficial to the development of the West Somerset Railway;
- To promote the historical and heritage aspects of the West Somerset Railway, including appropriate support to allow continued running of heritage trains on the line;
- To engage with young people, and to educate people of all ages, in the potential and excitement of active involvement in a heritage railway;
- To raise funds, through the members, through appeals, through grant applications and in any other appropriate way to support the development and sustainability of the West Somerset Railway as a heritage operation; and
- To work collaboratively, and in a mutually supportive and open way, with all other organisations supporting the West Somerset Railway, and in particular the West Somerset Railway plc, through the Partnership Development Group and any other appropriate forum.

These aims will enable the charity to educate people in an understanding of the heritage aspects of the West Somerset Railway. Its long-term goal is to ensure the maintenance of the railway's heritage equipment and infrastructure and to work with the WSR plc and other organisations which support the railway, to improve the arrangements for the public to see all aspects of how the railway is run.

It will measure these successes by condition surveys of heritage items, and footfall in places where such viewing arrangements are improved.

The trustees confirm that they have complied with their duty to have due regard to the guidance on public benefit published by the Commission. They have ensured that all who visit the West Somerset Railway are able

Report of the trustees

For the year ended 31 March 2021

to view those artefacts which demonstrate the heritage aspects of the line, including the locomotives, rolling stock and stations, all of which are maintained in as near original condition as possible.

Achievements and performance

Achievement and performance was severely blunted during the year due to the effects of the Covid pandemic and the legislation in the UK that forced the railway to remain closed for the bulk of the year. The railway was able to run some limited services before Christmas due to an easing of the restrictions. Inevitably the railway being closed impacted on the work of the charity.

Despite the difficulties the Association raised £260,990 and have now focussed their fundraising efforts on the three major funds discussed below.

The **Locomotive Restoration Fund** was established to secure the long-term security of locomotives operating on the WSR, through the refurbishment of two locomotives owned by the Association, Small Prairie 4561 and Manor Class 7821, Ditcheat Manor. Just under £48,000 was raised for this fund during the year and the available total is just under £132,000. Work is now well advanced on the restoration of Small Prairie 4561; it was hoped to achieve a rolling chassis during 2021 but the pandemic and the discovery of a problem with the driving axle of the locomotive have set this objective back a little. However, trustees believe there is nearly enough in the fund to complete the overhaul and so discussions have commenced about the overhaul of Ditcheat Manor.

The **Preserve and Protect Fund** has been established with the dual aims of providing covered accommodation for the railways rolling stock and in particular the heritage items of rolling stock. The fund will also be used eventually to help with the ongoing maintenance costs of rolling stock. We are currently operating this initiative jointly with the West Somerset Railway Heritage Trust and all restored items of Heritage rolling stock will be the early priority. Nearly £20,000 raised.

The **Rail Renewal Fund** has now formally been established to provide funding for the replacement of the permanent way of the West Somerset Railway, £37,000 raised during the year. The focus of the WSRA will be to principally provide funds for the replacement of heritage bullhead rail laid on wooded sleepers within the station limits of each of the 10 stations along the line. However, we are mindful of the need to ensure the whole 22 miles of the railway are maintained in a good condition to allow the safe operation of trains.

Membership continued to reduce, albeit at a slower rate, but overall income from this source was £53,489. We have to report that again, due to the pandemic, all plans for on-train and on-railway fundraising had to be put on hold for the 2020 season. The Charity does not underestimate the difficulties that West Somerset Railway plc will face in re-establishing operations during 2021 and the need for continued social distancing will undoubtedly impact on-train and on-railway fundraising activity.

The WSR Plc purchased the Trade and Assets of WSRA (Promotions) Ltd during 2019 for an agreed sum of £91,700. We reported on the difficulties that arose in our last report. We are pleased to be able to tell you that at this time the agreed loan repayments from the West Somerset Railway plc to the charity have commenced as planned. The loan should be repaid by March of 2024.

Due to the Covid Pandemic the railway was not operational for the main season and no grants were made to stations and other groups for small heritage projects. Applications continue to be welcomed from all parts of the railway for assistance in heritage projects.

The charity's heritage dining train (Quantock Belle) did not run during the 2020 season, but the Association still faced maintenance costs of £3,990. The West Somerset Railway plc, who operate the QB had indicated that they did not believe it was viable to run a dining service on the railway, so once they discharged their obligations arising from previous bookings, they would not have a use for the set. This left the trustees with a problem, as the vehicles continue to deteriorate in open storage, requiring expensive remedial work, which

Report of the trustees

For the year ended 31 March 2021

cannot be justified if they are not needed. Recently, the PLC indicated that they wish to review their position: we await the outcome of this review. Trustees plan to share more information with members, and invite their opinion, in the forthcoming AGM.

The COVID pandemic limited the amount of work on the heritage of the West Somerset Railway that the charity could contribute to. Even so, we contributed to several work programmes on the West Somerset Railway during 2020/21:

- Refurbishment of rolling stock both WSRA and WSR plc owned £15,280
- Restoration of the P-way via the rail renewal appeal £10,873

The Steam Fayre and Vintage Vehicle Rally had to be cancelled due to the pandemic in 2020 and the same will be true in 2021. This represents a loss in potential revenue to the charity of close to £100,000. Doubly disappointing as on both occasions volunteers have spent countless hours in the planning for the event.

Efforts continued to find a settlement on the matter of the Association's shares in Four one six 0 Ltd and both sides have agreed to go to mediation when pandemic restrictions allow.

The 50-50 Club has again contributed over £10,000 to general funds.

The Association could not function without volunteers. Volunteer hours were much reduced during the year due to the COVID Pandemic. In 2020/21 we had three main areas:

- Administration: at least 600 hours when volunteers felt safe and protected;
- Steam Fayre and Vintage Vehicle Rally: at least 300 hours for aborted planning and administrative work, including communications; and
- Support for joint initiatives to support the railway during the pandemic at least 600 hours.

During 2019 the charity agreed with the WSR plc and other members of the railway family that it would fund and take on the responsibility for volunteer recruitment for the railway. The latter part of 2019 saw a lot of activity to prepare for this. The WSR plc has now taken back this responsibility. We hope that this essential effort does not falter again and were pleased to have been able to assist for a period. Some work continues through WSRA volunteer support of the environmental and well-being group which will be essential to future operation of the railway.

Plans for future periods

The trustees are working with a trusted fundraiser in order to expand their fundraising programme in an attempt to diversify funding streams and increase sustainability. Work during the last year has brought funding of £142,527 despite the Covid pandemic and we will continue this initiative.

We will become focussed on fundraising in support of the railway, either to directly fund WSRA projects like the restoration of 4561 or more generally to support infrastructure renewals and other improvements as described above.

To do this we will seek to engage more with grant funding bodies and, in cooperation with the WSR plc with potential corporate sponsors.

Financial Review

Total group income exceeded expenditure the year by £59,000 (2020: £28,000). There was an increase in reserves from £1.776m to £1.835m.

Total income during the year (2020 – 15 months) decreased by £644,000, but there was a corresponding reduction in expenditure of £676,000.

Report of the trustees

For the year ended 31 March 2021

Reserves policy

The Association has sufficient reserves to sustain its current expenditure for at least three months (£78,295). The trustees believe that this amount is adequate. At 31 March 2021 free reserves amounted to £545,709 (2020: £483,302).

Risk Management

The principal risk facing the charity is declining membership. This has continued, albeit at a slower rate. The charity is also aware of the broader risk to the Heritage Railway movement and will continue to explore ways with the railway family of the West Somerset Railway to safeguard the future of the line.

Safeguarding

The trustees considered advice from the Charity Commission on Safeguarding. They do not currently have any children or vulnerable adults as volunteers but are mindful of their responsibilities to all their staff and volunteers. They have adopted the WSR plc's Safeguarding Policy, designed for the whole of the West Somerset Railway, and last updated in March 2021.

Statement of responsibilities of the trustees

The trustees (who are also directors of the charity for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice). The trustees are required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and the group and the incoming resources and the application of resources including the net income and expenditure of the charity and the group for the year. In preparing those statements the trustees are required to:

- Select suitable accounting policies and apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable accounting standards and statements of recommended practice have been followed subject to any material departures disclosed and explained in the financial statements; and
- Prepare financial statements on the going concern basis unless it is inappropriate to presume the charity will continue in operation.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with the Companies Act 2006. The trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the detection and prevention of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charities web site. Legislation in the United Kingdom governing the preparation and dissemination of financial information may differ from other jurisdictions.

Members of the charity guarantee to contribute an amount not to exceed £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31st March 2021 was 3,089 (2020: 3,274). The trustees are members of the Charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Independent Examiners

Azets were again appointed independent examiners to the charity during the year and have expressed their willingness to continue in that capacity.

Approved by the trustees on 4th August 2021 and signed on their behalf by



Michael Sherwood – Chair



G. J. F. Garfield

Geoff Garfield – Vice Chair

Independent Examiners Report

To the members of

West Somerset Railway Association

I report to the charity trustees on my examination of the consolidated accounts of the group comprising West Somerset Railway Association ('the charity') and its subsidiary undertakings, WSRA (Promotions) Limited, for the period ended 31 March 2021, which are set out on pages 9 to 28.

Responsibilities and basis of report

As the charity trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your company's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

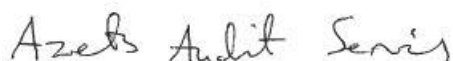
Independent examiner's statement

Since the company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
- the accounts do not accord with those records; or
- the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
- the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Oliver Rowe FCA

6 August 2021

Azets Audit Services
Secure House
Lulworth Close
Chandlers Ford
Southampton
SO53 3TL

West Somerset Railway Association

Consolidated statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2021

		Restricted	Unrestricted	31-Mar-21 12 months	31-Mar-20 15 months
	Note	£	£	£	£
Income from:					
Donations and legacies	3	126,855	192,222	319,078	513,571
Other trading activities	4	-	53,353	53,353	502,974
Investment income		-	114	114	448
Total income		<u>126,855</u>	<u>245,690</u>	<u>372,545</u>	<u>1,016,993</u>
Expenditure on:					
Raising funds		-	(1,134)	(1,134)	429,941
Charitable activities		65,580	248,737	314,317	558,936
Total Expenditure	6	<u>65,580</u>	<u>247,603</u>	<u>313,183</u>	<u>988,877</u>
Net movement in funds	9	<u>61,276</u>	<u>(1,913)</u>	<u>59,363</u>	<u>28,116</u>
Reconciliation of funds:					
Total funds brought forward		<u>155,931</u>	<u>1,620,135</u>	<u>1,776,066</u>	<u>1,747,950</u>
Total funds carried forward		<u>217,206</u>	<u>1,618,222</u>	<u>1,835,428</u>	<u>1,776,066</u>

There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 21 to the accounts.

Consolidated balance sheets

For the year ended 31 March 2021

	Note	The group		The charity	
		31-Mar-21 £	31-Mar-20 £	31-Mar-21 £	31-Mar-20 £
Fixed assets					
Tangible fixed assets	12	551,290	577,665	550,861	577,149
Heritage assets	13	587,844	625,788	587,844	625,788
Investments	14	500	500	600	600
		<u>1,139,634</u>	<u>1,203,953</u>	<u>1,139,305</u>	<u>1,203,537</u>
Current assets					
Debtors	17	95,857	170,679	138,771	278,390
Cash at bank and in hand		645,069	477,033	600,897	352,551
		<u>740,926</u>	<u>647,712</u>	<u>739,668</u>	<u>630,941</u>
Liabilities					
Creditors: amounts falling due within 1 year	18	45,131	75,599	45,260	58,993
Net current assets		<u>695,795</u>	<u>572,113</u>	<u>694,409</u>	<u>571,948</u>
Net assets	20	<u>1,835,429</u>	<u>1,776,066</u>	<u>1,833,714</u>	<u>1,775,485</u>
Funds	21				
Restricted funds		217,206	155,931	217,206	133,103
Unrestricted funds					
General Funds		1,618,222	1,620,135	1,616,507	1,642,382
Total funds		<u>1,835,429</u>	<u>1,776,066</u>	<u>1,833,714</u>	<u>1,775,485</u>

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 2006 (the Act) relating to the audit of the financial statements for the period by virtue of section 477(2), and that no member or members have requested an audit pursuant to section 476 of the Act.

The directors acknowledge their responsibilities for:

- Ensuring that the company keeps proper accounting records which comply with section 366 of the Act; and
- Preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial period and of its profit or loss for the financial period in accordance with the requirements of section 393, and which otherwise comply with the requirements of the Act relating to the financial statements, so far as applicable to the company.

These accounts have been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

Approved by the trustees on 4th August 2021 and signed on behalf by



Michael Sherwood – Chair



G. J. F. GARFIELD

Geoff Garfield – Vice Chair

Consolidated statement of cash flows

For the year ended 31 March 2021

	31-Mar-21 12 months £	31-Mar-20 15 months £
Cash used in operating activities:		
Net movement in funds	59,363	28,116
Adjustments for:		
Depreciation charges	66,682	86,226
Dividends, interest and rents from investments	(114)	(448)
Loss / (profit) on the sale of fixed assets	(500)	(2,500)
Decrease / (increase) in stock	-	83,103
Decrease / (increase) in debtors	74,823	(73,764)
Increase / (decrease) in creditors	(30,468)	8,991
Net cash provided by / (used in) operating activities	169,786	129,724
Cash flows from investing activities:		
Dividends, interest and rents from investments	114	448
Proceeds from the sale of property, plant and equipment	500	2,500
Purchase of tangible fixed assets	(2,364)	(1,748)
Net cash provided by / (used in) investing activities	(1,750)	1,200
Increase / (decrease) in cash and cash equivalents in the period	168,036	130,924
Cash and cash equivalents at the beginning of the period	477,033	346,109
Cash and cash equivalents at the end of the period	645,069	477,033

1. Accounting policies

a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities in preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

West Somerset Railway Association meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

b) Group accounts

These financial statements consolidate the results of the charitable company and its wholly owned (controlled) subsidiary on a line-by-line basis. Transactions and balances between the charitable company and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two companies are disclosed in the notes of the charitable company's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charitable company itself is not presented because the charitable company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

c) Going concern basis of accounting

The accounts have been prepared on the assumption that the charity is able to continue as a going concern, which the trustees consider appropriate having regard to the current level of unrestricted reserves. There are no material uncertainties about the charity's ability to continue as a going concern.

While there are no material uncertainties about the charity's ability to continue as a going concern, the COVID pandemic and subsequent restrictions will severely reduce our fundraising during the coming year, as the Steam Rally was cancelled, and fundraising was focussed on supporting the plc. as fare income ceased. Trustees have taken action to control costs and avoid all but essential expenditure, while continuing to maintain our assets and support the operations of the railway.

d) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received, and the amount can be measured reliably.

Income from donations and grants is recognised when the charity has entitlement to the funds, any performance conditions attached to the gift have been met, it is probable that the income will be received, and the amount can be measured reliably and is not deferred. In the case of donations, this is usually on receipt.

Income from membership subscriptions is recognised on receipt. Subscriptions that relate to future periods, such as life memberships and memberships spanning the period end, are not deferred on the grounds that the charity has entitlement to the funds because refunds are not given for unused portions of membership.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably, and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income from the sale of goods or services is recognised when the goods or services are delivered.

Bank interest is included when receivable and the amount can be measured reliably by the charity: this is normally upon notification of the interest paid or payable by the bank.

Notes to the accounts

For the year ended 31 March 2021

e) Funds accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

f) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

g) Allocation of support and governance costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Governance costs are the costs of managing and administering the charity as a legal entity. Support and governance costs relating to WSRA (Promotions) Ltd are allocated to raising funds. Support and governance costs relating to WSRA are allocated to charitable activities.

h) Tangible fixed assets

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

Land	Not depreciated
Property	4% straight line
Plant, fixtures and equipment	15% straight line

i) Heritage assets

The charity owns various locomotives and rolling stock which are held and maintained for their historical and cultural value. Such assets are classified as heritage assets within the financial statements. A full description of the heritage assets held is set out in note 13.

Heritage assets are valued at historic cost, or valuation if donated. Heritage assets are depreciated on a straight-line basis over 7 years. Locomotives and rolling stock are not depreciated whilst under restoration. The costs of restoring the locomotives and rolling stock are capitalised as heritage asset additions. Heritage assets are periodically reviewed for impairment, with any necessary impairment losses being taken to the Statement of Financial Activities.

j) Investments

All the charity's investments are in entities related to the charity's activities rather than in general investments to generate income or capital growth. These investments are stated at cost less any impairment as there is no readily available market value.

k) Stock

Stock is included at the lower of cost or net realisable value, with provision made for obsolete or slow-moving stock.

l) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Accrued income is measured at fair value.

m) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

n) Creditors

Creditors and provisions are recognised where the charitable company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

o) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently recognised at amortised cost using the effective interest method.

p) Pension costs

The charity operates a defined contribution pension scheme. Contributions are recognised in the Statement of Financial Activities in the period in which they become payable in accordance with the rules of the scheme.

2. Prior period comparatives

	Restricted	Unrestricted	2020
	£	£	Total
			£
Income from:			
Donations and legacies	282,730	230,841	513,571
Other trading activities	1,341	501,633	502,974
Investments	-	448	448
Total income	284,071	732,922	1,016,993
Expenditure on:			
Raising funds	-	429,941	429,941
Charitable activities	239,230	319,706	558,936
Total expenditure	239,230	749,647	988,877
Net income / (expenditure) and net movement in funds before transfers	44,841	(16,725)	28,116

3. Income from donations and legacies

	Restricted	Unrestricted	2021
	£	£	Total
			£
Membership subscriptions	-	53,489	53,489
Donations and gifts	126,855	31,094	157,949
Grant income	-	86,375	86,375
Legacies	-	21,265	21,265
Total donations and legacies	126,855	192,223	319,078

Prior year comparative

	Restricted	Unrestricted	2020
	£	£	Total
			£
Membership subscriptions	-	77,924	77,924
Donations and gifts	282,730	9,405	292,135
Grant income	-	-	-
Legacies	-	143,512	143,512
Total other trading activities	282,730	230,841	513,571

Notes to the accounts

For the year ended 31 March 2021

4. Income from other trading activities

	Restricted £	Unrestricted £	2021 Total £
Aggregate sales at Norton Fitzwarren	-	42,313	42,313
Vintage Rally	-	393	393
50/50 club and raffles	-	10,441	10,441
Other income	-	306	306
Total other trading activities	-	53,453	53,453

Prior period comparative

	Restricted £	Unrestricted £	2020 Total £
Shop and café	-	240,121	240,121
West Somerset Restorations, Williton	-	92,096	92,096
Aggregate sales at Norton Fitzwarren	-	47,325	47,325
Vintage Rally	-	101,486	101,486
50/50 club and raffles	-	12,908	12,908
Other income	1,341	7,697	9,038
Total other trading activities	1,341	501,633	502,974

5. Government grants

The charitable company received £16,375 of government grants during the year (2020: none).

Notes to the accounts

For the year ended 31 March 2021

6. Total expenditure

	Raising funds £	Charitable activities £	2021 Total £
Staff costs (note 10)	-	63,315	63,315
Cost of sales:			
Shop and café	-	-	-
West Somerset restorations, Williton	-	-	-
Fundraising costs:			
Vintage Rally Costs	-	945	945
50/50 club, annual draw and raffle	-	5,634	5,634
Other	(2,227)	16,145	13,918
Locomotive and coach costs	-	65,378	65,378
Hinkley Point Community Fund	-	738	738
Property costs	-	44,334	44,334
Membership and journal costs	-	9,673	9,673
Support and governance costs	1,093	108,155	109,248
Total support and governance costs	(1,134)	314,317	313,183

Prior period comparative

	Raising funds £	Charitable activities £	2020 Total £
Staff costs (note 10)	119,275	68,425	187,700
Cost of sales:			
Shop and café	231,655	-	231,655
West Somerset restorations, Williton	42,297	-	42,297
Fundraising costs:			
Vintage Rally costs	59,096	-	59,096
50/50 club, annual draw and raffle	6,022	-	6,022
Other	-	14,081	14,081
Locomotive and coach costs	-	165,911	165,911
Locomotive 9351 costs	-	30,066	30,066
Hinkley Point Community Fund	-	42,389	42,389
Property costs	20,750	55,281	76,031
Membership and journal costs	-	21,978	21,978
Support and governance costs	30,037	160,805	190,842
Disposal of stock	(79,191)	-	(79,191)
Total support and governance costs	429,941	558,936	988,877

7. Support and governance costs

	Raising funds £	Charitable activities £	2021 Total £
<i>Support costs:</i>			
Depreciation	87	66,595	66,682
Insurance	-	7,187	7,187
General office costs	(462)	13,036	12,574
Meetings and meditation	-	4,623	4,623
Equipment hire, repairs and maintenance	35	396	431
Bank charges	695	2,395	3,090
<i>Governance costs:</i>			
Legal costs	-	8,954	8,954
Accountancy and IE	738	4,970	5,708
Total support and governance costs	1,093	108,156	109,249

Prior period comparative

	Raising funds £	Charitable activities £	2020 Total £
<i>Support costs:</i>			
Depreciation	65	86,778	86,843
Insurance	2,812	5,052	7,864
General office costs	8,435	11,324	19,759
Meetings and meditation	-	7,015	7,015
Travel and motor expenses	463	914	1,377
Advertising	-	10	10
Equipment hire, repairs and maintenance	11,733	19,768	31,501
Bank charges	4,566	3,087	7,653
<i>Governance costs:</i>			
Legal costs	-	18,908	18,908
Accountancy and IE	1,963	7,949	9,912
Total support and governance costs	30,037	160,805	190,842

8. Grants payable

Due to the Pandemic, no grants have been paid within the current period (2020: £1,295).

Notes to the accounts

For the year ended 31 March 2021

9. Net movement in funds

	2021	2020
	£	£
Depreciation	66,682	86,843
Trustees' remuneration	-	-
Trustees' reimbursed expenses	-	-
Auditors' remuneration		
- Statutory audit	-	-
- Independent examination	5,000	5,000
- Other services	-	-
	<u>66,682</u>	<u>86,843</u>

During the period no trustees (2021: none) received reimbursed expenses for travel costs (2020: none).

10. Staff costs and numbers

Staff costs were as follows:

	2021	2020
	£	£
Salaries and wages	69,458	193,535
Social security costs	5,440	13,419
Pension costs	<u>1,166</u>	<u>5,001</u>
	<u>76,064</u>	<u>211,955</u>

No employee earned more than £60,000 during the period.

The key management personnel of the group are listed on page 1 of the accounts. The total employee benefits of the key management personnel were £76,064 (2020: £82,315).

	2021	2020
	No.	No.
Average number of employees (full-time equivalent)	<u>3.4</u>	<u>8.3</u>

11. Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. Available taxable profits in WSRA (Promotions) Ltd are donated to the parent charity under the gift aid scheme.

Notes to the accounts

For the year ended 31 March 2021

12. Tangible fixed assets – group

	Land and Property £	Plant, Fixtures and equipment £	Total £
Cost			
At 1 April 2020	796,522	163,426	959,948
Additions in the period	-	2,364	2,364
Disposals in the period	-	-	-
At 31 March 2021	796,522	165,790	962,312
Depreciation			
At 1 April 2020	226,951	155,332	382,283
Charge for the period	26,294	2,444	28,738
Depreciation eliminated on disposal	-	-	-
At 31 March 2021	253,245	157,776	411,021
Net book value			
At 31 March 2021	543,277	8,014	551,291
At 31 March 2020	569,571	8,094	577,665

Tangible fixed assets charity only

	Land and Property £	Plant, Fixtures and equipment £	Total £
Cost			
At 1 April 2020	796,522	162,845	959,367
Additions in the period	-	2,364	2,364
Disposals in the period	-	-	-
At 31 March 2021	796,522	165,209	961,731
Depreciation			
At 1 April 2020	226,951	155,269	382,218
Charge for the period	26,294	2,357	28,651
Depreciation eliminated on disposal	-	-	-
At 31 March 2021	253,245	157,624	410,869
Net book value			
At 31 March 2021	543,277	7,585	550,862
At 31 March 2020	569,571	7,578	577,149

Notes to the accounts

For the year ended 31 March 2021

13. Heritage assets – group and charity

	Locomotives (under restoration) £	Coaches and other vehicles £	Total £
Cost			
At 1 April 2020	638,594	455,145	1,093,739
Additions in period	-	-	-
Disposals in the period	-	(1,500)	(1,500)
At 31 March 2021	638,594	453,645	1,092,239
Depreciation			
At 1 April 2020	66,924	401,027	467,951
Charge for the period	-	37,944	37,944
Depreciation eliminated on disposal	-	(1,500)	(1,500)
At 31 March 2021	66,924	437,471	504,395
Net book value			
At 31 March 2021	571,670	16,174	587,844
At 31 March 2020	571,670	54,118	625,788

Heritage assets includes the following locomotives and rolling stock:

	Net book value £
Locomotives (under restoration):	
2-6-2T locomotive number 4561	391,671
4-6-0 locomotive number 7821 "Ditcheat Manor"	180,000
Coaches and other vehicles:	
W80976W (Hawthornthwaite)	1,147
Generator coach 35408 (977165) "Jupiter"	8,223
Mk1 TSO coach 4419	6,804
	587,845

The following heritage assets are held by WSRA but are fully depreciated: Mk1 TSO coach 4956, Quantock Belle (3108 "Meteor", 1804 "Aries" and 1909 "Orion"), W21174 "Phoenix", three Mk1 coaches (4435, 4911 and 5024), one camping coach at Blue Anchor (9882), a staff accommodation coach at Bishops Lydeard (3668), and five other vehicles (M94917, BR94710, 1587, 2823 and 8080).

Notes to the accounts

For the year ended 31 March 2021

Summary analysis of heritage asset transactions

	2021 £	2020 £	2018 £	2017 £	2016 £
Additions:					
Purchases	-	-	-	6,973	26,032
Total additions	-	-	-	6,973	26,032
Charges:					
Depreciation	37,944	49,841	39,873	40,320	40,811
Impairment	-	-	-	-	-
Other charges	-	-	-	-	-
Total charges	37,944	49,841	39,873	40,320	40,811
Disposals:					
Net book value	-	-	-	21,978	-
Proceeds from disposals:					
Sale proceeds	500	-	1,667	16,156	-

14. Investments

	The group		The charity	
	2021 £	2020 £	2021 £	2020 £
WSRA (Promotions) Ltd: 100 x £1 ordinary shares	-	-	100	100
Locomotive 5542 Ltd: 1 x £500 ordinary shares	500	500	500	500
	500	500	600	600

WSRA owns 100% of the issued share capital of WSRA (Promotions) Ltd, company number 03312904 registered in England and Wales. Further details are set out in note 15.

WSRA owns 1 £500 ordinary share in Locomotive 5542 Ltd, company number 01605988. This represents 2% of the issued ordinary share capital of the company. The shares are valued at historic cost.

WSRA also owns 2,037,370 10p ordinary shares in West Somerset Railway plc, representing 8.25% of the issued share capital. A number of years ago it was decided that these shares have no value, and they were fully written down in the accounts. The historic cost of the shares was £184,030.

Notes to the accounts

For the year ended 31 March 2021

15. Subsidiary undertakings

WSRA (Promotions) Ltd

WSRA (Promotions) Ltd is the wholly owned trading subsidiary of WSRA. The trading subsidiary was incorporated on 5 February 1997. The subsidiary operated a shop and café as well as carrying out engineering and restoration works until those undertakings were transferred to the WSR PLC effective end of 2019. A summary of the trading subsidiary's financial statements is set out below:

	2021	2020
	£	£
Turnover	(1,025)	373,702
Cost of sales	<u>2,227</u>	<u>(271,914)</u>
Gross profit	1,202	101,788
Administrative expenses	<u>(1,094)</u>	<u>(92,265)</u>
Profit for the financial period	108	9,523
Changes in equity:		
Retained profit brought forward	581	3,435
Total comprehensive income for the period	108	9,523
Gift aid donation to parent charity	(646)	(12,377)
Retained profit carried forward	<u><u>43</u></u>	<u><u>581</u></u>

The aggregate of the assets, liabilities and funds was:

Assets	53,644	235,480
Liabilities	(53,501)	(234,799)
Funds	<u><u>143</u></u>	<u><u>681</u></u>

16. Parent charity

The parent charity's gross income and the results for the period are disclosed as follows:

	2021	2020
	£	£
Gross income	373,570	695,812
Surplus / (deficit) for the period	<u><u>59,363</u></u>	<u><u>28,116</u></u>

Notes to the accounts

For the year ended 31 March 2021

17. Debtors

	The group		The charity	
	2021	2020	2021	2020
	£	£	£	£
Trade debtors	12,096	29,522	3,064	3,685
Amounts due from subsidiary	-	-	52,691	218,193
Other taxation and social security	6,249	39,148	6,238	37,479
Other debtors	77,511	102,009	76,777	19,033
	<u>95,857</u>	<u>170,679</u>	<u>138,771</u>	<u>278,390</u>

Within Other debtors is an amount of £70,000 due from West Somerset Railway PLC. Amount due within one year £23,286; the remainder due by March 2024.

18. Creditors: amounts due within 1 year

	The group		The charity	
	2021	2020	2021	2020
	£	£	£	£
Trade creditors	36,422	63,962	35,612	50,756
Accruals	6,164	8,500	6,164	5,100
Other taxation and social security	1,165	3,137	1,165	3,137
Other creditors	1,380	-	2,319	-
	<u>45,131</u>	<u>75,599</u>	<u>45,260</u>	<u>58,993</u>

19. Financial instruments

	The group		The charity	
	2021	2020	2021	2020
	£	£	£	£
Financial assets that are debt instruments measured at amortised cost:				
Trade debtors	12,096	29,522	3,064	3,685
Amounts due from subsidiary	-	-	52,691	218,193
Other debtors	76,777	102,009	76,777	7,745
Cash at bank and in hand	645,069	477,033	600,897	352,551
	<u>733,943</u>	<u>608,564</u>	<u>733,430</u>	<u>582,174</u>

Financial liabilities measured at amortised cost:

Trade creditors	36,422	63,962	35,612	50,756
Accruals	6,164	8,500	6,164	5,100
Other creditors	2,545	1,235	3,484	3,137
	<u>45,131</u>	<u>73,697</u>	<u>45,260</u>	<u>58,993</u>

Notes to the accounts

For the year ended 31 March 2021

20. Analysis of group net assets between funds

	Restricted funds £	Unrestricted funds £	Total funds £
Tangible fixed assets	1,167	550,123	551,290
Heritage assets	65,953	521,891	587,844
Investments	-	500	500
Current assets	150,086	590,840	740,926
Current liabilities	-	(45,131)	(45,131)
Net assets at 31 March 2021	217,206	1,618,223	1,835,429

Prior period comparative

	Restricted funds £	Unrestricted funds £	Total funds £
Tangible fixed assets	1,167	576,498	577,665
Heritage assets	65,953	559,835	625,788
Investments	-	500	500
Current assets	88,811	558,901	647,712
Current liabilities	-	(75,599)	(75,599)
Net assets at 31 March 2020	155,931	1,620,135	1,776,066

21. Movements in funds

	At 1 April 2020	Income	Expenditure	Transfers	At 31 March 2021
	£	£	£	£	£
Restricted funds					
Locomotive Restoration Fund	125,936	47,892	(53,418)	-	120,946
Station Signs Fund	1,976	-	-	-	1,976
Hinkley Point Community fund	4,398	82	(738)	-	3,742
Home counties group	1,341	-	-	-	1,341
Points Machines	784	-	-	-	784
Volunteer Training	608	4,010	-	-	4,618
Rail Renewal	-	36,938	(10,873)	-	26,065
Carriage Vandalism	1,220	-	-	-	1,220
Specific Donations	1,167	-	-	-	1,167
WSRA TV	-	700	(551)	-	149
DMU Repair Fund	-	5,213	-	-	5,213
Cutting Back Fund	-	1,106	-	-	1,106
Volunteer Welfare Facilities	-	10,920	-	-	10,920
Station Gardens	-	295	-	-	295
Carriage Preserve and Protect	18,501	19,699	-	-	38,200
Total restricted funds	155,931	126,855	(65,580)	-	217,206
Unrestricted funds					
General funds	1,620,135	245,690	(247,603)	-	1,618,222
Total unrestricted funds	1,620,135	245,690	(247,603)	-	1,618,222
Total funds	1,776,066	372,544	(313,183)	-	1,835,428

Notes to the accounts

For the year ended 31 March 2021

Locomotive Restoration Fund	The Fund was established to support a sustainable supply of steam locomotives running on the West Somerset Railway and in particular the restoration of WSRA owned Small Prairie 4561 and 7821 Ditchheat Manor
Station Signs Fund	The Fund was established to support the re-creation of Bristol and Exeter Railway station signs typical of the 1860s era, at three WSR stations, from which they are missing. Patterns have been purchased and casting is underway.
HPC Fund	The Hinkley Point Community Fund, managed by the Somerset Community Foundation, made an initial grant of £95,700 payable over 2 years to the WSRA for a Community Engagement Project. Unfortunately, the COVID pandemic proved to be a severe interruption to this project and it was eventually agreed not to progress with the second year of the project.
Home counties Group	Funds from a previous sub-group of the WSRA. Restricted to support assets previously managed by that group.
Points Machines	Donated funds to cover the cost of transporting Points Machines to the WSR. Unfortunately, the offer of the points machines was withdrawn and the funds are now held for another suitable S&T project.
Volunteer Training	Funds donated to support the training of volunteers, including first aid training.
Rail Renewal	Funds donated to support work on the heritage WSR track.
Specific donations	Funds donated to support the purchase of equipment for use in the restoration and maintenance of Heritage assets on the WSR.
DMU repair Fund	Funds donated initially to support the restoration of the DMU (Diesel Multiple Unit)
Volunteer Welfare Facilities	Funds donated to provide adequate male and female facilities for volunteers at Williton.
Station gardens	Funds donated via the coop scheme to provide plants and paint for stations.
Carriage Preserve and Protect	Funds donated to preserve and protect carriages by maintaining them and providing suitable covered storage for them.
WSRA TV	Funds to establish, and maintain a communications channel to promote, educate, and inform the community about the local heritage railway.
Cutting Back Fund	Donations to purchase tools for volunteers to use in maintaining the lineside.

21. Movements in funds (continued)**Prior period comparative**

	At 1 January 2019 £	Income £	Expenditure £	At 31 March 2020 £
Restricted funds				
Locomotive Restoration Fund	65,593	82,110	(22,127)	125,936
Wagons Donation Fund	130	65	(195)	-
Station Signs Fund	104	1,872	-	1,976
Hinkley Point Community Fund	22,075	24,712	(42,389)	4,398
Home Counties Group	-	1,341	-	1,341
Points Machines	-	784	-	784
Locomotive 9351	-	17,888	(30,066)	-
Volunteer Training	-	4,050	(3,442)	608
Rail Renewal	-	130,142	(140,792)	-
Carriage Vandalism	-	1,439	(219)	1,220
Specific Donations	-	1,167	-	1,167
Carriage Preserve and Protect	-	18,501	-	18,501
	88,262	284,071	(239,230)	155,931
Unrestricted funds				
General funds	1,659,688	732,922	(749,647)	1,620,135
Total unrestricted funds	1,659,688	732,922	(749,647)	1,620,135
Total funds	1,747,950	1,016,993	(988,877)	1,776,066

22. Related party transactions

West Somerset Railway Association has a wholly owned trading subsidiary, WSRA (Promotions) Limited, a company limited by shares (company no. 03312904). During the period the trading subsidiary made sales of £nil (2020: £41,485) to the charity. At 31 March 2021, the trading subsidiary owed £52,691 (2020: £210,776) to the charity.