

Charity Registration No. 1139786

Company Registration No. 06999964 (England and Wales)

CAMBRIAN HERITAGE RAILWAYS LIMITED
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

CAMBRIAN HERITAGE RAILWAYS LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mrs J M Owen	
	Mr R Date	
	Mr R Williams	
	Mr R M O Jones	
	Mr M Davidson	
	Mr G Evans	
	Mr P Bradley	
	Mr J Oliver	
	Mr D L Jones	
	Mr A Rudd	
	Mr T Sanderson	
	Mr P J McCracken	(Appointed 4 June 2020)
	Mr A C Green	(Appointed 9 February 2021)
Charity number	1139786	
Company number	06999964	
Registered office	Suite 1 Old Station Building Oswald Road Oswestry Shropshire United Kingdom SY11 1RE	
Independent examiner	Azets Audit Services 5 - 7 Beatrice Street Oswestry Shropshire United Kingdom SY11 1QE	

CAMBRIAN HERITAGE RAILWAYS LIMITED

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CAMBRIAN HERITAGE RAILWAYS LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2021

The Trustees present their report and financial statements for the year ended 31 March 2021.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's memorandum of association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016)

Objectives and activities

The charity's objectives are:

- The preservation, operation, restoration, maintenance and protection of such of the structures, buildings, plant, locomotives, rollingstock, railway track and equipment on or adjacent to or connected with the railway lines between Gobowen and Llanymynech and beyond, and Llynclys Junction and Llanddu and beyond, as are of historic, cultural, architectural, constructional or scientific interest.

- The advancement of the education of the public in the history and heritage of the railway by such means as the trustees may determine.

- The provision of transport facilities in Oswestry and its hinterland for people who have special need of such facilities because they are elderly, poor or disabled, people with young children or those living in isolated areas where there are no adequate public transport facilities.

- The relief of unemployment for the benefit of the public in such ways as may be thought fit including assistance to find employment.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Achievements and performance

During the year the charity has continued to run trains in line with its objectives.

Work has continued on extending the line from Oswestry to Weston.

Financial review

It is the trustees' policy to secure funds prior to making any financial commitments. The current level of reserves is in line with the requirements of the charity in light of the additional works being undertaken.

The Trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

Structure, governance and management

The charity is a company limited by guarantee.

The Trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mrs J M Owen

Mr R Date

Mr R Williams

Mr R M O Jones

Mr M Davidson

Mr G Evans

Mr P Bradley

Mr J Oliver

Mr D L Jones

CAMBRIAN HERITAGE RAILWAYS LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) *FOR THE YEAR ENDED 31 MARCH 2021*

Mr A Rudd

Mr T Sanderson

Mr P J McCracken

(Appointed 4 June 2020)

Mr A C Green

(Appointed 9 February 2021)

None of the Trustees has any beneficial interest in the company. All of the Trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

The Trustees' report was approved by the Board of Trustees.

.....
Mr R Date

Trustee

Dated:

CAMBRIAN HERITAGE RAILWAYS LIMITED

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF CAMBRIAN HERITAGE RAILWAYS LIMITED

I report to the Trustees on my examination of the financial statements of Cambrian Heritage Railways Limited (the charity) for the year ended 31 March 2021.

Responsibilities and basis of report

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

Having satisfied myself that the financial statements of the charity 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 the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

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:

- 1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements 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
- 4 the financial statements 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 financial statements to be reached.

Azets Audit Services

5 - 7 Beatrice Street
Oswestry
Shropshire
SY11 1QE
United Kingdom

Dated:

CAMBRIAN HERITAGE RAILWAYS LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
Income from:							
Donations and legacies	3	60,770	66,740	127,510	25,698	140,280	165,978
Charitable activities	4	22,408	-	22,408	35,130	-	35,130
Investments	5	1	-	1	33	-	33
Total income		83,179	66,740	149,919	60,861	140,280	201,141
Expenditure on:							
Raising funds	6	1,814	-	1,814	3,614	-	3,614
Charitable activities	7	35,727	24,404	60,131	54,107	12,513	66,620
Total resources expended		37,541	24,404	61,945	57,721	12,513	70,234
Net income for the year/ Net movement in funds		45,638	42,336	87,974	3,140	127,767	130,907
Fund balances at 1 April 2020		21,255	151,064	172,319	18,115	23,297	41,412
Fund balances at 31 March 2021		66,893	193,400	260,293	21,255	151,064	172,319

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

CAMBRIAN HERITAGE RAILWAYS LIMITED

BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	11		232,718		145,155
Current assets					
Stocks	12	2,514		2,514	
Debtors	13	9,657		9,177	
Cash at bank and in hand		102,978		68,270	
		115,149		79,961	
Creditors: amounts falling due within one year	15	(52,337)		(47,397)	
Net current assets			62,812		32,564
Total assets less current liabilities			295,530		177,719
Creditors: amounts falling due after more than one year	16		(35,237)		(5,400)
Net assets			260,293		172,319
Income funds					
Restricted funds	17		193,400		151,064
Unrestricted funds			66,893		21,255
			260,293		172,319

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2021.

The directors acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for 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 year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on

.....
Mr R Date
Trustee

Company Registration No. 06999964

CAMBRIAN HERITAGE RAILWAYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Charity information

Cambrian Heritage Railways Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Suite 1 Old Station Building, Oswald Road, Oswestry, Shropshire, SY11 1RE, United Kingdom.

1.1 Accounting convention

The accounts have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

1.5 Expenditure

CAMBRIAN HERITAGE RAILWAYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings	None
Plant and machinery	15% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

CAMBRIAN HERITAGE RAILWAYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.11 Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

1.12 Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

CAMBRIAN HERITAGE RAILWAYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2021 £	2021 £	2021 £	2020 £	2020 £	2020 £
Donations and gifts	40,770	5,340	46,110	25,698	7,627	33,325
Grants	20,000	61,400	81,400	-	132,653	132,653
	<u>60,770</u>	<u>66,740</u>	<u>127,510</u>	<u>25,698</u>	<u>140,280</u>	<u>165,978</u>

Donated goods and services

Included within donations is £5,000 representing an estimate of the value attached to donated assets from the National Railway Museum. The value has been arrived at by reference to similar assets being sold on the open market.

4 Charitable activities

	Activities for generating funds 2021 £	Activities for generating funds 2020 £
Fundraising	4,405	2,371
Membership fees	4,968	4,711
Ancillary trading income	-	7,688
Charitable rental income	13,035	20,360
	<u>22,408</u>	<u>35,130</u>

5 Investments

	Unrestricted funds 2021 £	Unrestricted funds 2020 £
Interest receivable	<u>1</u>	<u>33</u>

CAMBRIAN HERITAGE RAILWAYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

6 Raising funds

	Unrestricted funds	Unrestricted funds
	2021 £	2020 £
<u>Trading costs</u>		
Other trading activities	1,814	3,614
	<u>1,814</u>	<u>3,614</u>

7 Charitable activities

	Restoration 2021 £	Restoration 2020 £
Depreciation and impairment	7,886	2,068
Rent	16,901	16,898
Operational costs	12,361	16,413
Insurance	9,604	8,577
Light and heat	1,983	2,428
Rates	210	385
Postage and stationery	1,317	1,407
Advertising	-	984
Repairs and renewals	3,321	13,057
Accountancy	2,022	1,868
Sundries	3,864	785
Professional fees	100	1,095
Other charitable expenditure	562	655
	<u>60,131</u>	<u>66,620</u>
	<u>60,131</u>	<u>66,620</u>
Analysis by fund		
Unrestricted funds	35,727	54,107
Restricted funds	24,404	12,513
	<u>60,131</u>	<u>66,620</u>
For the year ended 31 March 2020		
Unrestricted funds	54,107	
Restricted funds	12,513	
	<u>66,620</u>	

CAMBRIAN HERITAGE RAILWAYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

8 Trustees

None of the Trustees (or any persons connected with them) received any remuneration during the year, nor for the year ended 31 March 2020.

No trustees were reimbursed travelling expenses during the year, nor for the year ended 31 March 2020.

9 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Total	-	-

10 Taxation

The charity is exempt from corporation tax on its charitable activities.

11 Tangible fixed assets

	Land and buildings £	Plant and machinery £	Total £
Cost			
At 1 April 2020	109,046	41,549	150,595
Additions	38,916	56,532	95,448
At 31 March 2021	147,962	98,081	246,043
Depreciation and impairment			
At 1 April 2020	-	5,440	5,440
Depreciation charged in the year	-	7,885	7,885
At 31 March 2021	-	13,325	13,325
Carrying amount			
At 31 March 2021	147,962	84,756	232,718
At 31 March 2020	109,046	36,109	145,155

Included in cost or valuation of tangible fixed assets is freehold land of £4,108.

12 Stocks

	2021 £	2020 £
Finished goods and goods for resale	2,514	2,514

CAMBRIAN HERITAGE RAILWAYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

13 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Other debtors	9,657	9,177

14 Loans and overdrafts

	2021 £	2020 £
Bank loans	20,000	-
Loans from related parties	45,000	45,000
	65,000	45,000
Payable within one year	48,163	45,000
Payable after one year	16,837	-

No security has been offered for the borrowings.

The loan from related parties relates to a loan received from Cambrian Railways Trust, a charity that has Trustees in common with Cambrian Heritage Railway. The loan is repayable upon demand and carries no interest charge.

15 Creditors: amounts falling due within one year

	Notes	2021 £	2020 £
Bank loans	14	3,163	-
Other borrowings		45,000	45,000
Trade creditors		824	847
Accruals and deferred income		3,350	1,550
		52,337	47,397

16 Creditors: amounts falling due after more than one year

	Notes	2021 £	2020 £
Bank loans	14	16,837	-
Other creditors		18,400	5,400
		35,237	5,400

CAMBRIAN HERITAGE RAILWAYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

17 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds			Movement in funds			
	Balance at 1 April 2019	Incoming resources	Resources expended	Balance at 1 April 2020	Incoming resources	Resources expended	Balance at 31 March 2021
	£	£	£	£	£	£	£
Community Orchard	8,030	438	(510)	7,958	115	(696)	7,377
Weston Line	15,267	132,653	(11,543)	136,377	41,425	(2,745)	175,057
08 Fund	-	6,994	(460)	6,534	225	(238)	6,521
Norma	-	195	-	195	-	-	195
Lottery	-	-	-	-	19,975	(19,975)	-
NRM Coach	-	-	-	-	5,000	(750)	4,250
	<u>23,297</u>	<u>140,280</u>	<u>(12,513)</u>	<u>151,064</u>	<u>66,740</u>	<u>(24,404)</u>	<u>193,400</u>

Community Orchard fund

The incoming resources in this fund are to be used to create, plant and maintain an orchard within the grounds maintained by Cambrian Heritage Railways.

Weston Line

The incoming resources in this fund are to be used extending the line through Gas Works Bridge to Weston Wharf.

08 Fund

The resources in this fund are used to purchase, bring into use and maintain the 08 Loco.

Norma

The resources in this fund are restricted for use on the Norma engine.

Lottery

This funding was to support the charity during the Covid restrictions.

NRM Coach

This fund represents the donation of a coach from the National Railway Museum.

CAMBRIAN HERITAGE RAILWAYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

18 Analysis of net assets between funds

	Unrestricted 2021 £	Restricted 2021 £	Total 2021 £	Unrestricted 2020 £	Restricted 2020 £	Total 2020 £
Fund balances at 31 March 2021 are represented by:						
Tangible assets	48,178	184,540	232,718	14,757	130,398	145,155
Current assets/ (liabilities)	53,952	8,860	62,812	12,093	20,471	32,564
Long term liabilities	(35,237)	-	(35,237)	(5,400)	-	(5,400)
	<u>66,893</u>	<u>193,400</u>	<u>260,293</u>	<u>21,450</u>	<u>150,869</u>	<u>172,319</u>

19 Related party transactions

During the prior year a loan of £45,000 was received from Cambrian Railways Trust, a charity that has Trustees in common with Cambrian Heritage Railways.

The building at Weston Wharf is being built on land owned by Cambrian Railway Society, a charity that has Trustees in common with Cambrian Heritage Railways. There is a memorandum of understanding in place between the charities that they will work towards common goals. As such, Cambrian Heritage Railways uses the land with no rent being chargeable.