

Charity registration number: 1172852

Littlehampton Heritage Railway Association

Annual Report and Financial Statements

for the Year Ended 31 May 2021

Wiston House
1 Wiston Avenue
Worthing
West Sussex
BN14 7QL

Littlehampton Heritage Railway Association

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Littlehampton Heritage Railway Association

Reference and Administrative Details

Trustees

C Shanks

D Harris

M Cook

G Bashall

S Tooley

Charity Registration Number

1172852

Principal Office

The Engine Shed
Mewsbrook Park
Hendon Avenue
Littlehampton
West Sussex
BN16 2LX

Littlehampton Heritage Railway Association

Trustees' Report

The trustees, present the annual report together with the financial statements of the charity for the year ended 31 May 2021.

Objectives and activities

Objects and aims

As stated in the charity's memorandum, the object of the charity is:

To restore, preserve, exhibit and operate railway locomotives, carriages, wagons, vehicles and other artefacts of historical interest and the structures connected therewith for the benefit and education of the general public and to conserve books, drawings, records, documents, sound and visual recordings, cinematography, films and photographs and other archive material relating to such artefacts and vehicles, their history and development.

Public benefit

The Littlehampton Heritage Railway Association (LHRA) is run on a not for profit basis and the trustees have had regard to the Charity Commission guidance on public benefit and paid due regard to it in deciding what activities the charity should undertake.

The trustees confirm that they have complied with the requirements of section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Achievements and performance

The onset of the Covid pandemic and the subsequent lockdowns proved a trying time for LHRA as it obviously meant that the charity was unable to run its normal operations. However, a huge thank you goes to our many volunteers who continued to support the railway with their time and effort. Our working parties continued, and much was accomplished including the commencement of work on the new ticket office in addition to further works to improve the track.

Despite the difficult situation we were able to run our Santa Special in December and, as in previous years, this again proved a huge success.

In addition to our stalwart volunteers, thanks are also due to Arun District Council and Littlehampton Town Council for their invaluable help and support.

We very much look forward to better times and a return to our normal operations.

Social and community

LHRA continues to operate extremely active Facebook and Twitter sites as part of our community outreach program, which are regularly updated by our Community Officer. This continues to get extremely positive feedback from the local community as well as continuing to give valuable information for tourists.

Financial review

Policy on reserves

The trustees seek to maintain adequate unrestricted reserves to enable the smooth day to day operations of the charity. At the present moment in time the trustees would like to build the level of unrestricted reserves to cover three months expenditure.

Investment policy and objectives

The trustees may borrow or raise money for the objects of the charity on such terms and on such security as may be thought fit and whether by the creation and issue of debentures or debenture stock or otherwise. They may also invest monies of the company not immediately required for its purpose in or upon such investments, securities or property as may be thought fit, subject nevertheless to such conditions (if any) as may for the time being be imposed or required by law and subject also as hereafter provided.

Littlehampton Heritage Railway Association

Trustees' Report

Structure, governance and management


Nature of governing document

The charity is registered as a charitable incorporated organisation (CIO) as of 3 May 2017.

Organisational structure

The charity is run by a board of trustees who delegate the day to day operation to volunteers.

The annual report was approved by the trustees of the charity on 15/4/20 and signed on its behalf by:



C Shanks
Trustee

Littlehampton Heritage Railway Association

Independent Examiner's Report to the trustees of Littlehampton Heritage Railway Association ("the Company")

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 May 2021.

Responsibilities and basis of report

As the charity's trustees of Littlehampton Heritage Railway Association you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of your charity'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

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:

1. accounting records were not kept in respect of Littlehampton Heritage Railway Association as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 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.

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.



M J Hodson FCA
Independent Examiner

Wiston House
1 Wiston Avenue
Worthing
West Sussex
BN14 7QL

Date: 15/4/22

Littlehampton Heritage Railway Association

Statement of Financial Activities for the Year Ended 31 May 2021

	Note	Unrestricted funds £	Restricted funds £	Total 2021 £
Income and Endowments from:				
Charitable activities	2	30,068	4,000	34,068
Investment income	3	4	-	4
Total income		<u>30,072</u>	<u>4,000</u>	<u>34,072</u>
Expenditure on:				
Charitable activities	4	(17,076)	(1,635)	(18,711)
Total expenditure		<u>(17,076)</u>	<u>(1,635)</u>	<u>(18,711)</u>
Net income		12,996	2,365	15,361
Transfers between funds		1,318	(1,318)	-
Net movement in funds		14,314	1,047	15,361
Reconciliation of funds				
Total funds brought forward		48,052	1,500	49,552
Total funds carried forward	10	<u>62,366</u>	<u>2,547</u>	<u>64,913</u>
	Note	Unrestricted funds £	Restricted funds £	Total 2020 £
Income and Endowments from:				
Charitable activities	2	36,919	1,755	38,674
Investment income	3	14	-	14
Total income		<u>36,933</u>	<u>1,755</u>	<u>38,688</u>
Expenditure on:				
Charitable activities	4	(25,121)	-	(25,121)
Total expenditure		<u>(25,121)</u>	<u>-</u>	<u>(25,121)</u>
Net income		11,812	1,755	13,567
Transfers between funds		1,020	(1,020)	-
Net movement in funds		12,832	735	13,567
Reconciliation of funds				
Total funds brought forward		<u>35,220</u>	<u>765</u>	<u>35,985</u>
Total funds carried forward	10	<u>48,052</u>	<u>1,500</u>	<u>49,552</u>

All of the charity's activities derive from continuing operations during the above two periods.
The funds breakdown for 2020 is shown in note 10.

The notes on pages 7 to 13 form an integral part of these financial statements.

Littlehampton Heritage Railway Association

(Registration number: 1172852)

Balance Sheet as at 31 May 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	7	25,189	23,139
Current assets			
Cash at bank and in hand	8	40,239	26,903
Creditors: Amounts falling due within one year	9	<u>(515)</u>	<u>(490)</u>
Net current assets		<u>39,724</u>	<u>26,413</u>
Net assets		<u>64,913</u>	<u>49,552</u>
Funds of the charity:			
Restricted income funds			
Restricted funds	10	2,547	1,500
Unrestricted income funds			
Unrestricted funds		<u>62,366</u>	<u>48,052</u>
Total funds	10	<u>64,913</u>	<u>49,552</u>

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

The financial statements on pages 5 to 13 were approved by the trustees, and authorised for issue on 15/4/22 and signed on their behalf by:



 C Shanks
 Trustee

The notes on pages 7 to 13 form an integral part of these financial statements.

Littlehampton Heritage Railway Association

Notes to the Financial Statements for the Year Ended 31 May 2021

1 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

The financial statements have been prepared in accordance with 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) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

Basis of preparation

Littlehampton Heritage 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 notes.

The financial statements are prepared in sterling which is the functional currency of the entity.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

Exemption from preparing a cash flow statement

The charity opted to early adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

Judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Income and endowments

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

Littlehampton Heritage Railway Association

Notes to the Financial Statements for the Year Ended 31 May 2021

Donations and legacies

Donations, are recognised when they have been communicated in writing with notification of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Legacy gifts are recognised on a case by case basis following the granting of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliable measurable with a degree of reasonable accuracy and the title to the asset has been transferred to the charity.

Investment income

Interest on funds held on deposit is included upon notification of the interest paid or payable by the Bank.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including strategic management and trustees's meetings and reimbursed expenses.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charity for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets

Individual fixed assets costing £100.00 or more are initially recorded at cost.

Littlehampton Heritage Railway Association

Notes to the Financial Statements for the Year Ended 31 May 2021

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Plant and machinery	over 4 years
Fixture and fittings	15% reducing balance
Equipment	between 2 and 5 years

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Foreign exchange

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

The results of overseas operations are translated at the average rates of exchange during the period and their balance sheets at the rates ruling at the balance sheet date. Exchange differences arising on translation of the opening net assets and results of overseas operations are reported in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

Other exchange differences are recognised in the Statement of Financial Activities in the period in which they arise except for:

- 1) exchange differences on transactions entered into to hedge certain foreign currency risks (see above);
- 2) exchange differences arising on gains or losses on non-monetary items which are recognised in other comprehensive income; and
- 3) in the case of the consolidated financial statements, exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised in other comprehensive income and reported under equity.

Littlehampton Heritage Railway Association

Notes to the Financial Statements for the Year Ended 31 May 2021

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees discretion in furtherance of the objectives of the charity.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Financial instruments

Classification

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 measured at amortised cost using the effective interest method.

2 Income from charitable activities

	Unrestricted funds General £	Restricted funds £	Total funds £
Railway operation	30,068	4,000	34,068
Total for 2021	30,068	4,000	34,068
Total for 2020	36,919	1,755	38,674

3 Investment income

	Unrestricted funds General £	Total funds £
Interest receivable and similar income;		
Interest receivable on bank deposits	4	4
Total for 2021	4	4
Total for 2020	14	14

Littlehampton Heritage Railway Association

Notes to the Financial Statements for the Year Ended 31 May 2021

4 Expenditure on charitable activities

		Unrestricted funds General £	Restricted funds £	Total 2021 £	Total 2020 £
Railway operation		15,849	1,635	17,484	24,183
Allocated support costs	5	1,134	-	1,134	888
Governance costs	5	93	-	93	50
		<u>17,076</u>	<u>1,635</u>	<u>18,711</u>	<u>25,121</u>

In addition to the expenditure analysed above, there are also governance costs of £93 (2020 - £50) which relate directly to charitable activities. See note 5 for further details.

5 Analysis of governance and support costs

Governance costs

	Unrestricted funds General £	Total funds £
Legal fees	93	93
Total for 2021	<u>93</u>	<u>93</u>
Total for 2020	<u>50</u>	<u>50</u>

Littlehampton Heritage Railway Association

Notes to the Financial Statements for the Year Ended 31 May 2021

6 Taxation

The charity is a registered charity and is therefore exempt from taxation.

7 Tangible fixed assets

	Furniture and equipment £	Other tangible fixed asset £	Total £
Cost			
At 1 June 2020	14,173	18,445	32,618
Additions	910	5,675	6,585
At 31 May 2021	<u>15,083</u>	<u>24,120</u>	<u>39,203</u>
Depreciation			
At 1 June 2020	2,909	6,570	9,479
Charge for the year	2,123	2,412	4,535
At 31 May 2021	<u>5,032</u>	<u>8,982</u>	<u>14,014</u>
Net book value			
At 31 May 2021	<u>10,051</u>	<u>15,138</u>	<u>25,189</u>
At 31 May 2020	<u>11,264</u>	<u>11,875</u>	<u>23,139</u>

8 Cash and cash equivalents

	2021 £	2020 £
Cash on hand	303	245
Cash at bank	21,162	18,388
Short-term deposits	<u>18,774</u>	<u>8,270</u>
	<u>40,239</u>	<u>26,903</u>

9 Creditors: amounts falling due within one year

	2021 £	2020 £
Accruals	<u>515</u>	<u>490</u>

Littlehampton Heritage Railway Association

Notes to the Financial Statements for the Year Ended 31 May 2021

10 Funds

	Balance at 1 June 2020 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 May 2021 £
Unrestricted funds					
<i>General</i>					
Railway Operation	48,052	30,072	(17,076)	1,318	62,366
Restricted funds					
Sussex Community Trust	1,500	-	(50)	(1,318)	132
Track Repairs	-	800	-	-	800
Mewsbrook Ticket Office	-	2,700	(1,585)	-	1,115
Queen Elizabeth	-	500	-	-	500
Total restricted funds	<u>1,500</u>	<u>4,000</u>	<u>(1,635)</u>	<u>(1,318)</u>	<u>2,547</u>
Total funds	<u>49,552</u>	<u>34,072</u>	<u>(18,711)</u>	<u>-</u>	<u>64,913</u>
	Balance at 1 June 2019 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 May 2020 £
Unrestricted funds					
<i>General</i>					
Railway Operation	35,220	36,933	(25,121)	1,020	48,052
Restricted					
Modify Carriages	765	255	-	(1,020)	-
Sussex Community Trust	-	1,500	-	-	1,500
Total restricted funds	<u>765</u>	<u>1,755</u>	<u>-</u>	<u>(1,020)</u>	<u>1,500</u>
Total funds	<u>35,985</u>	<u>38,688</u>	<u>(25,121)</u>	<u>-</u>	<u>49,552</u>

11 Analysis of net funds

	At 1 June 2020 £	Financing cash flows £	At 31 May 2021 £
Cash at bank and in hand	<u>26,903</u>	<u>13,336</u>	<u>40,239</u>
Net debt	<u>26,903</u>	<u>13,336</u>	<u>40,239</u>

12 Related party transactions

There were no related party transactions in the year.