

Charity registration number: 1172852

Littlehampton Heritage Railway Association

Annual Report and Financial Statements

for the Year Ended 31 May 2023

Hodson & Co
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 Shanks
Charity Registration Number	1172852
Registered Office	The Engine Shed
	Mewsbrook Park
	Hendon Avenue
	Littlehampton
	West Sussex
Independent Examiner	BN16 2LX
	Hodson & Co
	Wiston House
	1 Wiston Avenue
	Worthing
	West Sussex
	BN14 7QL

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 2023.

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 Littlehampton Heritage Railway volunteers continued to improve and upgrade all areas during 2022/2023.

The weather during the summer of 2022 contributed to one of the best sales of tickets and subsequent revenue.

The Santa Special was again a great success even with the torrential rain on both days. Due to the economic climate it was decided this year to reduce the cost of the tickets, with slightly less value but still good quality presents, so that the children did not miss out on the wonderful experience. The tickets sold out within 24 hours of going on sale to the public.

In the New Year, the main project was to completely upgrade the trackwork leading into the engine shed. There were 3 lines into the engine shed, serviced by 3 points and when the Queen Elizabeth project is completed, this will require 4 lines to accommodate all the extra rolling stock. All the track and sleepers were removed in front of the engine shed, with 150mm of soil removed to accommodate all the new sleepers, rails and ballast.

During the excavation it was discovered that the water feed to the water tower was only just below the surface. It was decided that this needed to be addressed and a trench was excavated to a suitable depth. Also the water feed into the engine shed was re configured and the outside water tap was reinstalled onto the water tower.

Littlehampton Heritage Railway Association

Trustees' Report

The new trackwork required a sector plate to be installed with a concrete sub base and a block surround, so even more excavation was required to accommodate this. The sector plate was installed, which allows for the line to go 4 ways into the engine shed using a flexible point operated by a lever. Whilst the sector plate was being installed the runaround track at Mewsbrook Park station was realigned with new sleepers, further away from the mainline, so as to conform to the current regulation minimum distance.

All the wheel bearings on the carriages were replaced with new ones.

The locomotive Albert was stripped down and all the drive belt systems were replaced. The blue bodywork was completely stripped of paint, back to bare metal and repainted with 4 coats of paint, rubbing down between each coat. This has given the locomotive a durable finish and looks very impressive in the new green and cream colour.

The locomotive Phillipa had all the wheel bearings replaced.

All the wheels on all the diesel locomotives were reprofiled.

The diesel pump is housed in the fuel store and the trigger and flexible pipe were accessed via the fuel store wooden door to fill the locomotive. A steel, lockable cabinet was erected on the outside of the fuel store and the pipework was installed through the wall to the pump. This enabled the locomotives to be re-fuelled directly from the outside.

The trustees decided that they were in the position, financially, to offer to purchase Phillipa from one of the volunteers. This was accepted by the volunteer.

The external wooden side door into the office was allowing an ingress of water into the office and rather than try to repair the door a decision was made to replace the door and frame with a green painted metal door. As well as preventing an ingress of water it has given the building increased security. Once the metal door had been installed, both offices had laminate flooring installed, which enables the floor to be more easily maintained.

The rear office was completely re-decorated.

An Operating Rule Book was published in January 2023 which replaced the several information sheets that have been handed to the volunteers over the years. All the volunteers were issued with the rule book and signed that they had received it.

In addition to all the above projects, carried out by our stalwart volunteers, thanks are also due to Arun District Council and Littlehampton Town Council for their support.

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 six months expenditure.

Littlehampton Heritage Railway Association

Trustees' Report

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.

Going concern

The charity has reviewed its financial performance and general reserves position. The charity has adequate financial resources and is able to manage its business risks. The charity's planning process has taken into consideration the current economic climate and its potential impact on the various sources of income and planned expenditure.

Taking into account all factors the charity has reasonable expectation that it has adequate resources to continue in operational existence for the foreseeable future and believe that there are no material uncertainties that call into the charity's ability to continue in operation.

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.

Financial instruments

Objectives and policies

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 measured at amortised cost using the effective interest method.

The annual report was approved by the trustees of the charity on 23/11/23 and signed on its behalf by:



C Shanks
Trustee

Littlehampton Heritage Railway Association

Statement of Trustees' Responsibilities

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Charity SORP requires the trustees to prepare financial statements for each financial year. The trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including its income and expenditure, of the charity for that period. In preparing these financial 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 estimates that are reasonable and prudent;
- state whether applicable accounting standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping accounting records that disclose with reasonable accuracy at any time the financial position of the charity. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the trustees of the charity on 23/11/23 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 2023.

Responsibilities and basis of report

As the charity's trustees you are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144 of the Charities Act 2011 ("the Charities Act") and that an independent examination is needed.

Having satisfied myself that the charity is not subject to audit and is eligible for independent examination, it is my responsibility to:

examine the accounts under section 145 of the Charities Act,
to follow the procedures laid down in the general Directions given by the Charity Commission (under section 145(5)(b) of the Charities Act), and
to state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination was carried out in accordance with general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair' view and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no material matters have come to my attention which gives me cause to believe that in, any material respect:

- the accounting records were not kept in accordance with section 130 of the Charities Act; or
- the accounts did not accord with the accounting records; or
- the accounts did 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 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 BSc FCA
ICAEW

Wiston House
1 Wiston Avenue
Worthing
West Sussex
BN14 7QL

Date: 23/11/23

Littlehampton Heritage Railway Association

Statement of Financial Activities for the Year Ended 31 May 2023

	Note	Unrestricted funds £	Restricted funds £	Total 2023 £
Income and Endowments from:				
Charitable activities	3	47,849	-	47,849
Investment income	4	83	-	83
Total income		47,932	-	47,932
Expenditure on:				
Charitable activities	5	(39,564)	-	(39,564)
Total expenditure		(39,564)	-	(39,564)
Net income		8,368	-	8,368
Transfers between funds		14	(14)	-
Net movement in funds		8,382	(14)	8,368
Reconciliation of funds				
Total funds brought forward		88,286	14	88,300
Total funds carried forward	12	96,668	-	96,668
	Note	Unrestricted funds £	Restricted funds £	Total 2022 £
Income and Endowments from:				
Charitable activities	3	55,471	2,438	57,909
Investment income	4	2	-	2
Total income		55,473	2,438	57,911
Expenditure on:				
Charitable activities	5	(32,609)	(1,915)	(34,524)
Total expenditure		(32,609)	(1,915)	(34,524)
Net income		22,864	523	23,387
Transfers between funds		3,056	(3,056)	-
Net movement in funds		25,920	(2,533)	23,387
Reconciliation of funds				
Total funds brought forward		62,366	2,547	64,913
Total funds carried forward	12	88,286	14	88,300

All of the charity's activities derive from continuing operations during the above two periods.
The funds breakdown for 2022 is shown in note 12.

The notes on pages 9 to 17 form an integral part of these financial statements.

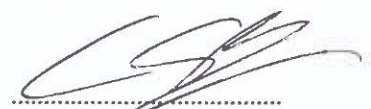
Littlehampton Heritage Railway Association

(Registration number: 1172852)

Balance Sheet as at 31 May 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	8	39,302	30,796
Current assets			
Debtors	9	6,678	5,115
Cash at bank and in hand	10	51,403	53,998
		58,081	59,113
Creditors: Amounts falling due within one year	11	(715)	(1,609)
Net current assets		57,366	57,504
Net assets		96,668	88,300
Funds of the charity:			
Restricted income funds			
Restricted funds		-	14
Unrestricted income funds			
Unrestricted funds		96,668	88,286
Total funds	12	96,668	88,300

The financial statements on pages 7 to 17 were approved by the trustees, and authorised for issue on 23/11/22 and signed on their behalf by:



C Shanks
Trustee

The notes on pages 9 to 17 form an integral part of these financial statements.

Littlehampton Heritage Railway Association

Notes to the Financial Statements for the Year Ended 31 May 2023

1 Charity status

The charity is a Charitable Incorporated Organisation (CIO) and consequently does not have a share capital.

The address of its registered office is:

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

Authorised for issue date

2 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.

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 2023

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 2023

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

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

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.

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.

3 Income from charitable activities

	Unrestricted funds General £	Restricted funds £	Total funds £
Railway operation	47,849	-	47,849
Total for 2023	47,849	-	47,849
Total for 2022	55,471	2,438	57,909

Littlehampton Heritage Railway Association

Notes to the Financial Statements for the Year Ended 31 May 2023

4 Investment income

	Unrestricted funds General £	Total funds £
Interest receivable and similar income; Interest receivable on bank deposits	83	83
Total for 2023	83	83
Total for 2022	2	2

5 Expenditure on charitable activities

	Note	Unrestricted funds General £	Total 2023 £
Railway operation		37,207	37,207
Allocated support costs	6	1,202	1,202
Governance costs	6	1,155	1,155
		<u>39,564</u>	<u>39,564</u>

	Note	Unrestricted funds General £	Restricted funds £	Total 2022 £
Railway operation		30,056	1,915	31,971
Allocated support costs	6	1,460	-	1,460
Governance costs	6	1,093	-	1,093
		<u>32,609</u>	<u>1,915</u>	<u>34,524</u>

	Activity undertaken directly £	Activity support costs £	2023 £
Railway operations	37,207	1,202	38,409
	<u>37,207</u>	<u>1,202</u>	<u>38,409</u>
	Activity undertaken directly £	Activity support costs £	2022 £
Railway operations	31,971	1,460	33,431
	<u>31,971</u>	<u>1,460</u>	<u>33,431</u>

In addition to the expenditure analysed above, there are also governance costs of £1,155 (2022 - £1,093) which relate directly to charitable activities. See note 6 for further details.

Littlehampton Heritage Railway Association

Notes to the Financial Statements for the Year Ended 31 May 2023

6 Analysis of governance and support costs

Governance costs

	Unrestricted funds General £	Total funds £
Independent examiner fees		
Examination of the financial statements	1,155	1,155
Total for 2023	1,155	1,155
Total for 2022	1,093	1,093

7 Taxation

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

Littlehampton Heritage Railway Association

Notes to the Financial Statements for the Year Ended 31 May 2023

8 Tangible fixed assets

	Furniture and equipment £	Other tangible fixed asset £	Total £
Cost			
At 1 June 2022	20,142	29,990	50,132
Additions	<u>557</u>	<u>15,021</u>	<u>15,578</u>
At 31 May 2023	<u>20,699</u>	<u>45,011</u>	<u>65,710</u>
Depreciation			
At 1 June 2022	7,355	11,981	19,336
Charge for the year	<u>2,571</u>	<u>4,501</u>	<u>7,072</u>
At 31 May 2023	<u>9,926</u>	<u>16,482</u>	<u>26,408</u>
Net book value			
At 31 May 2023	<u>10,773</u>	<u>28,529</u>	<u>39,302</u>
At 31 May 2022	<u>12,787</u>	<u>18,009</u>	<u>30,796</u>

9 Debtors

	2023 £	2022 £
Prepayments	5,117	3,927
Other debtors	<u>1,561</u>	<u>1,188</u>
	<u>6,678</u>	<u>5,115</u>

10 Cash and cash equivalents

	2023 £	2022 £
Cash on hand	170	222
Cash at bank	27,373	35,000
Short-term deposits	<u>23,860</u>	<u>18,776</u>
	<u>51,403</u>	<u>53,998</u>

Littlehampton Heritage Railway Association

Notes to the Financial Statements for the Year Ended 31 May 2023

11 Creditors: amounts falling due within one year

	2023 £	2022 £
Other creditors	1	1
Accruals	714	1,608
	<u>715</u>	<u>1,609</u>

Littlehampton Heritage Railway Association

Notes to the Financial Statements for the Year Ended 31 May 2023

12 Funds

	Balance at 1 June 2022 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 May 2023 £
Unrestricted funds					
<i>General</i>					
Railway Operation	88,286	47,932	(39,564)	14	96,668
Restricted funds					
Sussex Community Trust	14	-	-	(14)	-
Total funds	<u>88,300</u>	<u>47,932</u>	<u>(39,564)</u>	<u>-</u>	<u>96,668</u>
	Balance at 1 June 2021 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 May 2022 £
Unrestricted funds					
<i>General</i>					
Railway Operation	62,366	55,473	(32,609)	3,056	88,286
Restricted					
Sussex Community Trust	132	-	-	(118)	14
Track Repairs	800	-	(800)	-	-
Mewsbrook Ticket Office	1,115	-	(1,115)	-	-
Queen Elizabeth	500	2,438	-	(2,938)	-
Total restricted funds	<u>2,547</u>	<u>2,438</u>	<u>(1,915)</u>	<u>(3,056)</u>	<u>14</u>
Total funds	<u>64,913</u>	<u>57,911</u>	<u>(34,524)</u>	<u>-</u>	<u>88,300</u>

Littlehampton Heritage Railway Association

Notes to the Financial Statements for the Year Ended 31 May 2023

13 Analysis of net funds

	At 1 June 2022	Financing cash flows	At 31 May 2023
	£	£	£
Cash at bank and in hand	53,998	(2,595)	51,403
Net debt	53,998	(2,595)	51,403

14 Related party transactions

During the year the charity made the following related party transactions:

Littlehampton Heritage Railway Limited

At the balance sheet date the amount due to/from Littlehampton Heritage Railway Limited was £Nil (2022 - £109).

