EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED

England & Wales · Charity number 1186648

Details

Status	Registered
Legal form	Charitable company
Company number	02023981
Registered	2019-11-28
Register	View on the Charity Commission register

Contact

Address	East Lancashire Railway Bolton Street Station Bolton Street Bury BL9 0EY
Phone	03333202830
Email	finance.team@eastlancsrailway.co.uk
Website	www.eastlancsrailway.org.uk

Activities

Objects: THE CHARITY'S OBJECTS ('OBJECTS') ARE SPECIFICALLY RESTRICTED TO THE FOLLOWING:TO ADVANCE EDUCATION FOR THE BENEFIT OF THE PUBLIC IN THE HISTORY, CONSTRUCTION, ENGINEERING AND OPERATION OF THE EAST LANCASHIRE RAILWAY BY:A) THE ACQUISITION, RESTORATION, PRESERVATION AND OPERATION OF HERITAGE RAILWAY LOCOMOTIVES, CARRIAGES, WAGONS, STATION BUILDINGS, TRACK BETWEEN RAWTENSTALL AND HEYWOOD AND OTHER ASSOCIATED HERITAGE INFRASTRUCTURE; ANDB) THE ESTABLISHMENT AND MAINTENANCE OF A MUSEUM.

Activities: To preserve, restore and operate the railway lines, together with such lands and buildings adjacent thereto in Greater Manchester and Lancashire and in particular the East Lancashire Railway line, for the advancement of technical, historical and general education and for the permanent preservation, of steam and other railway locomotives, rolling stock, road vehicles, equipment and relics.

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Classification

- **How:** Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information
- **What:** Recreation
- **Who:** Children/young People, People With Disabilities, The General Public/mankind

Geography

- Bury
- Lancashire
- Rochdale

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£5,223,118	£5,623,128	£628,144	62
2023-12-31	£5,538,367	£5,914,221	£1,028,152	64
2022-12-31	£5,130,263	£5,245,761	£1,404,007	64
2021-12-31	£4,572,583	£4,018,557	£1,525,116	58
2020-12-31	£3,268,964	£2,895,099	£965,481	60

Trustees

Name	Role	Appointed
ALAN LEE		2018-12-10
Carl Phillips		2019-09-27
DAVID LAYLAND		2013-04-19
GRAHAM THORNTON		2018-12-13
Gary Thomas		2021-02-26
Keith Whitmore		2022-05-27
Michael Kelly		2018-12-13
Richard Law		2018-12-10
Robert Chapman		2020-01-01
Sean Michael Lea		2021-02-26

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EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED

England & Wales - Charity number 1186648

Accounts

Company registration number: 2023981

Charity registration number: 1186648

EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED
(A COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2024

EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED

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EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED

TRUSTEES REPORT

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 December 2024.

Trustees and Officers

The trustees and officers serving during the year and since the year end were as follows:

Trustees:	M W Kelly
	R G Chapman
	C R Law
	D S Layland
	S M Lea
	A Lee
	C Phillips
	G S Thornton
	K A Whitmore
	A Thomas
	M A Gardiner
Chairman:	M W Kelly

Objectives and activities

Objects and aims

The object of the charity is to advance education for the benefit of the public in the history, construction, engineering and operation of the East Lancashire Railway by:

a) The acquisition, restoration, preservation and operation of heritage railway locomotives, carriages, wagons, station buildings, track between Rawtenstall and Heywood and other associated heritage infrastructure; and

b) The establishment and maintenance of a museum.

Public benefit

The Charity aims to educate visitors to the heritage East Lancashire Railway about the different eras and activities in the history of the railways.

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Use of volunteers

The charity and its subsidiary trading company would not be able to provide the services they do without the dedicated volunteers who give their time to the Railway. The companies are committed to the development of volunteers and improving volunteer recruitment, key base skills training and departmental placement sympathetic to specific departmental requirements.

EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED

REFERENCE AND ADMINISTRATIVE DETAILS

Chairman	M W Kelly
Trustees	M W Kelly R G Chapman C R Law D S Layland S M Lea A Lee C Phillips G S Thornton K A Whitmore A Thomas M A Gardiner
Charity Registration Number	1186648
Company Registration Number	2023981
	The charity is incorporated in England and Wales.
Registered Office	Bolton Street Station Bolton Street Bury Lancashire BL9 0EY
Auditor	Horsfield & Smith Tower House 269 Walmersley Road Bury Lancashire BL9 6NX

TRUSTEES REPORT

Structure, governance and management

Nature of governing document

The organisation is a charitable company.

The company was incorporated on 29 May 1986 and is limited by guarantee. In the event being wound up each member is required to contribute an amount not exceeding ten pounds.

The company was established under a memorandum of association which established the objects and powers and is governed under its articles of association (last updated November 2019).

Organisational structure

The company operated as a trading company up to December 2019. On 1 January 2020 the company was granted charitable status and the trading activities were passed to a new wholly owned trading subsidiary company East Lancashire Railway Limited.

Recruitment and appointment of trustees

Trustees are appointed by ordinary resolution at a general meeting. There is no maximum number of trustees, the minimum is four. One third are required to retire by rotation at the annual general meeting of the charity. Where the trustees appoint a person who is willing to act as a trustee either to fill a vacancy or as an additional trustee that person must retire and may offer themselves for re-election at the next annual general meeting.

A person may not serve as a trustee unless they are a member of the charity. A person ceasing to be a member shall automatically cease to be a trustee.

Achievements and performance

2024 saw the continuation of the 'cost of living' crisis and variable consumer confidence with inevitable consequences for average visitor spend and donations. The railway had to perform essential repairs to the Locomotive Works building, at significant financial detriment to the organisation. The increases in the 'Living' and 'Minimum' wages were significant for the third year running. Innovation continued within the organisation to develop new revenue streams that are not train reliant, such as a Heritage Open Weekend in the museum grounds, growing the wedding and parties schedule and additional children's events.

The refresh of museum artefacts continued throughout 2024. The final asset of the loan agreement with the National Railway Museum arrived in the form of Lancashire & Yorkshire Railway Radial Tank '1008' on a five year agreement.

A Heritage Open Weekend took place in September, mainly based at the museum. This brought the ELR's collection of Lancashire & Yorkshire vehicles together with a display of steam locos and shunt demonstrations and allowed people to view inside LYR directors' saloon.

Visitor numbers in the museum surpass other local museums of a similar size.

The museum has also successfully hosted a wide range of events supporting and increased number of family based events.

The Christmas school holidays worked in the favour of the Santa Specials event in 2024. 109 Santa Special Trains operated, compared to 102 in 2023, including 3 successful Santa 'SEND' trains. The plan for 2025 is to increase the number of SEND trains to 4 due to the demand. The SEND Santas Specials won Highly Commended at the Heritage Railway Association Annual Awards.

The Spring Steam Gala was revamped and rebranded as the "Legends of Steam Gala". Visitor numbers and revenue surpassed expectations due the visiting locomotives that attended the event.

4 days of the less popular children's events of Hey Duggee and Gruffalo were removed in 2024 and replaced with 2 additional easier, more cost-efficient children's adventure in 2024. 4 days of Halloween were held in 2024 compared to 3 in 2023. The February Peppa Pig event was removed due to low footfall in 2023.

We were awarded the Trip Advisor Travellers' Choice Award for 2024. This means that reviews from millions of travellers around the world, place the ELR in the top 10%.

The overall visitors for 2024 were 143,225 compared to 141,235 in 2023.

Buffer Stops pub saw increased profits from June 2024 following its closure in April and May for a cellar refurbishment and a low scale pub refresh. Gross profit margins improved to 64% in 2024 compared to 60.5% in 2023. It won CAMRA Pub of the Year. The Trackside pub income was down compared to 2023 due to fluctuations in staff; however the gross profit margin increased to 63% from 62% in 2023.

The Dining With Distinction brand was given a boost during the festive period with the provision of a fourth dining carriage, increasing capacity by a third per train.

A lucrative filming job took place in October across two nights for a new American series called "Talamasca".

The Network Rail partnership continues to be developed in 2024, whereby Network Rail will gift the East Lancs Railway, usable and appropriate redundant assets in return for training of Network Rail staff in various operating roles. The Class 153 visited the railway twice in the year for testing.

A new youth group was created towards the end of the year to encourage more young volunteers to join the workforce. This is led by one of the railway's employed apprentices.

The outside of Townsend Fold signal box was refurbished.

During January, 180 yards (or 9 panels) of track to the north of Stubbins Station was relayed, continuation from 2023. The permanent way team devoted over 900 man hours and operated through the very worst of the English winter weather.

A further project was undertaken by the permanent way team in the year whereby drainage was removed and replaced near Alfred Street. This generated income for the organisation.

Track materials were gifted from Metrolink, and also from Castleton prior to the start of a housing development.

An agreement with the Battle of Britain Locomotive Society was made to allow the railway to be the home of 92 Squadron (34081). This arrived in time for the Santa Specials.

The maintenance and restoration of heritage railway rolling stock has continued during the year and has included:

- the ongoing boiler overhaul of 80097 continued.
- the overhaul of the Jinty continued;
- the 10 year overhaul of Gothenberg (32) began;
- steam heat was fitted on 51456;
- ongoing work every week by the D5705 CoBo's dedicated team, and steady progress is being made;

- the class 24, D5054, began its bodywork repairs and repaint. This has been performed by volunteers to keep the costs to a minimum. It is due to be completed mid-2025;
- Class 01 diesel shunter renovation was completed to a very high standard;
- Work on 4917 was completed;
- the Bubble Car repaint was completed;
- repairs to the vandalised Mark 1 buffet coach were completed, thanks to the kind donations of the public and our stake holders;
- the diesel crane repairs were completed, bringing it back into ticket;
- work on the L&Y Observation Saloon continued. Once completed, this will be a useful asset for private functions and corporate hospitality; and
- the Santa shop carriage was refurbished.

As always much of this work has only been possible because of the dedicated support of the volunteers and the Board are thankful to them for the time they give to the Railway.

Financial review

Despite everyone's best efforts ELR returned a net deficit for the year of £371,440. Of this £127,150 was for excessive repairs to the Locomotive Works roof at Baron Street. The ELR still awaits a formal agreement with Bury MBC, who own the building, regarding ongoing contributions to the repair costs being incurred by the ELR that form a significant proportion of the loss incurred.

Policy on reserves

So far as practicable the Trustees intend to reinvest surpluses in projects which will advance the charitable objects. This has not been possible in 2024 and the charity has needed to draw on its reserves to continue its planned maintenance and restoration projects.

Investment policy and objectives

Under the Memorandum and Articles of association, the charity has the power to make any investment the Trustees consider will further the objects of the charity.

Currently neither the charity nor its trading subsidiary have excess funds available to invest. When such funds become available the Trustees feel that short term readily available products would be most suited to meet uncertain short term demands.

Plans for future periods

The squeeze on finances has prevented the Board adding to the designated locomotive refurbishment reserve for the refurbishment of locomotives when their tickets expire. Although provision was made in 2021 for the restoration of the CRAB locomotive, at the moment the fund is not sufficient to complete these works. However, the East Lancashire Railway Preservation Society has agreed to fund £50,000 towards the project. The project will continue once resources allow it.

In May, a grant application was prepared for the Community Ownership Fund in relation to the works required for Higher Woodhill Viaduct. The charity applied for this on behalf of the ELR trust. A general election was announced in June which put a hold on this government linked fund. In November, we were advised that they were reopening the fund, and our application was being considered. In mid-December, we were advised we were successful in winning the grant totalling £1,070,680, plus match funding from the ELR trust of £267,670.

Following the grant of planning permission for the re-development at Buckley Wells on 22nd February 2022, the "shovel ready" project is progressing. This multi-million pound project will take several years to complete and is to be progressed in stages. Recent visits and discussions with the Heritage Lottery Fund are encouraging for future funding applications on this project.

There is a comprehensive programme for restoration and repair of the Grade II Listed workshops shed dating from 1857. The building will continue to be used for the restoration and repair of locomotives including workshops and stores. An extension on the footprint of the former shed (demolished in the 1970's) will provide new offices, welfare and training facilities to support engineering training and development skills for future generations of engineers. It will also allow public access to the building.

The erection of a new carriage shed will house, restore and repair the fleet of historic railway coaches. The new facility will be vital for the protection of coaches from the elements and vandalism. This should extend the maintenance cycle to approximately 12-15 as opposed to the current 7 years. Eco friendly and sustainable add-ons being considered for this phase of development include installing solar panels to reduce the energy costs and harvesting rain water to provide water for the steam locomotives.

Within the site a new access road and new track will be reconfigured and re-laid to ensure access to new facilities and the safe movement of traction and rolling stock around the site.

It's also proposed to expand the operational capacity of the site with new areas for external storage facilities for fuel and with ambitions to install a traction and rolling stock turntable.

The roof on the Baron Street works is in need of replacement. The ELR are actively looking for grant funding for this project.

Going concern

The Company is dependent on a related entity being able to meet its obligations in respect of the maintenance of key structures along the route of the railway. The impact of any restrictions in the use of the structures would be significant on the operations of the company. The directors have considered the most recent report to the Board of the related entity, in which there are detailed realistic plans covering the foreseeable future that indicate that the obligations can be met, and the schedule of planned maintenance work confirms this position.

The directors are concerned by the ongoing economic pressures. The cost of living crisis is impacting on the public donations and income available from the trading company. In order to complete the ambitious plans for the future funding sources need to be identified.

Forecasts have been prepared covering the period to December 2026 and these have been subjected to sensitivity analysis. The Directors recognise that, in preparing the forecasts, there is an inherent risk that the plans may not be achieved. Despite this risk, the Directors believe that the Railway has secured sufficient financial reserves to enable it to continue as a going concern.

Relationships with related parties

East Lancashire Railway Holdings Limited

The charity is under the control of a charitable holding company East Lancashire Railway Holdings Limited. As part of the re-structuring of the Railway it is the intention that East Lancashire Railway Holdings Limited will be closed and its charitable objects carried on by East Lancashire Light Railway Company Limited. On 1 January 2020 the benefit of the funds in East Lancashire Railway Holdings Limited was passed to the charity. Since then any donations received by East Lancashire Railway Holdings Limited have been remitted to East Lancashire Light Railway Limited.

Financial instruments

Objectives and policies

The group's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the group's policies approved by the board of trustees, which provide written principles on the use of financial derivatives to manage these risks. The group does not use derivative financial instruments for speculative purposes.

Cash flow risk

The Charity relies on public donations to enable it to provide funds for the projects currently being financed. Cashflow can be very much affected by the willingness and ability of the general public to make donations.

Credit risk

The Charity's principal financial assets are bank balances and cash, and other receivables.

The charity's primary credit risk is attributable to its receivables from the East Lancashire Railway Limited. An allowance for impairment is made where there is an identifiable loss as a result of a going concern risk in that company that would evidence a reduction in the recoverability.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the group uses a mixture of long-term and short-term debt finance.

Further details regarding liquidity risk can be found in the Statement of accounting policies in the financial statements.

Reputational risk

In accordance with current best practise, the charity maintains various registers to enable it to monitor performance and compliance.

Disclosure of information to auditor

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Reappointment of auditor

The auditors Horsfield & Smith are deemed to be reappointed under section 487(2) of the Companies Act 2006.

TRUSTEES REPORT

Statement of Responsibilities

The trustees (who are also the directors of East Lancashire Light Railway Company Limited 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 (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the trustees to prepare financial statements for each financial year. Under company law 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 parent charitable company and the group and of the incoming resources and application of resources, including its income and expenditure, of the charitable group 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 parent charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that can disclose with reasonable accuracy at any time the financial position of the parent charitable company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the parent charitable company and the group 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 charitable company's website. Legislation governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The annual report was approved by the trustees of the charity on 29 August 2025 and signed on its behalf by:

M W Kelly
Chairman and Trustee

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED

Opinion

We have audited the financial statements of East Lancashire Light Railway Company Limited (the 'charitable parent company') and its subsidiaries (the 'group') for the year ended 31 December 2024, which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Cash Flows and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice) and applicable law.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as at 31 December 2024 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees Report.

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

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

Responsibilities of trustees

As explained more fully in the Statement of Responsibilities (set out on page 8), the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We considered the nature of the industry and its control environment and reviewed the documentation of the charity's policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the charity and trading subsidiary operate in and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, Charities Act, and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the ability to operate or to avoid a material penalty. These included the line operating licence.

We ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

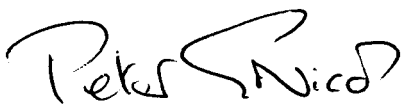
- agreeing financial statement disclosures to supporting documentation;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the FRC's website at:
https://www.frc.org.uk/auditors/audit-assurance/auditorsresponsibilities
This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable parent company's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the group's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable parent company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.



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P G Nicol (Senior Statutory Auditor)
For and on behalf of Horsfield & Smith, Statutory Auditor

Tower House
269 Walmersley Road
Bury
Lancashire
BL9 6NX

29 August 2025

EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2024
(INCLUDING CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES)

	Note	Unrestricted funds Designated £	Unrestricted funds General £	Restricted funds £	Total 2024 £
Income and Endowments from:					
Donations and legacies	3	-	252,177	20,512	272,689
Charitable activities	4	-	38,770	-	38,770
Investment income	5	-	1,137	-	1,137
Other income	6	-	4,910,522	-	4,910,522
Total Income		-	5,202,606	20,512	5,223,118
Expenditure on:					
Raising funds	7	-	(4,612,986)	-	(4,612,986)
Charitable activities	8	-	(874,888)	(19,365)	(894,253)
Other expenditure	9	-	(115,889)	-	(115,889)
Total Expenditure		-	(5,603,763)	(19,365)	(5,623,128)
Net (expenditure)/income		-	(401,157)	1,147	(400,010)
Transfers between funds		(143,000)	143,000	-	-
Net movement in funds		(143,000)	(258,157)	1,147	(400,010)
Reconciliation of funds					
Total funds brought forward		143,000	727,270	157,884	1,028,154
Total funds carried forward	24	-	469,113	159,031	628,144

The notes on pages 18 to 38 form an integral part of these financial statements.

EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2024 (INCLUDING CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES)

	Note	Unrestricted funds Designated £	Unrestricted funds General £	Restricted funds £	Total 2023 £
Income and Endowments from:					
Donations and legacies	3	-	257,151	6,320	263,471
Charitable activities	4	-	34,530	-	34,530
Investment income	5	-	2,445	-	2,445
Other income	6	-	5,237,921	-	5,237,921
Total Income		-	5,532,047	6,320	5,538,367
Expenditure on:					
Raising funds	7	-	(4,784,025)	-	(4,784,025)
Charitable activities	8	-	(990,379)	(21,612)	(1,011,991)
Other expenditure	9	-	(118,205)	-	(118,205)
Total Expenditure		-	(5,892,609)	(21,612)	(5,914,221)
Net expenditure		-	(360,562)	(15,292)	(375,854)
Transfers between funds		(7,000)	7,000	-	-
Net movement in funds		(7,000)	(353,562)	(15,292)	(375,854)
Reconciliation of funds					
Total funds brought forward		150,000	1,080,830	173,176	1,404,006
Total funds carried forward	24	143,000	727,268	157,884	1,028,152

All of the group's activities derive from continuing operations during the above two periods.

The funds breakdown is shown in note 24.

EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED

(REGISTRATION NUMBER: 2023981)
CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2024

	Note	2024 £	2023 £
Fixed assets			
Tangible assets	15	4,869,601	4,829,274
Current assets			
Stocks	17	121,182	129,648
Debtors	18	132,252	172,181
Cash at bank and in hand	19	220,032	472,772
		473,466	774,601
Creditors: Amounts falling due within one year	20	(1,366,502)	(1,121,064)
Net current liabilities		(893,036)	(346,463)
Total assets less current liabilities		3,976,565	4,482,811
Creditors: Amounts falling due after more than one year	21	(2,888,446)	(2,994,659)
Provisions	22	(459,975)	(460,000)
Net assets		628,144	1,028,152
Funds of the group:			
Restricted income funds			
Restricted funds		159,031	157,884
Unrestricted income funds			
Designated Funds		-	143,000
General Funds		469,113	727,268
Total unrestricted funds		469,113	870,268
Total funds	24	628,144	1,028,152

The financial statements on pages 13 to 38 were approved by the trustees, and authorised for issue on 29 August 2025 and signed on their behalf by:

M W Kelly
Chairman and Trustee

D S Layland
Trustee

EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED

(REGISTRATION NUMBER: 2023981)
BALANCE SHEET
AS AT 31 DECEMBER 2024

	Note	2024 £	2023 £
Fixed assets			
Tangible assets	15	4,723,598	4,683,463
Investments		1	1
		4,723,599	4,683,464
Current assets			
Debtors	18	70,791	81,291
Cash at bank and in hand	19	1,000	143,000
		71,791	224,291
Creditors: Amounts falling due within one year	20	(944,350)	(545,324)
Net current liabilities		(872,559)	(321,033)
Total assets less current liabilities		3,851,040	4,362,431
Creditors: Amounts falling due after more than one year	21	(2,888,446)	(2,994,659)
Provisions	22	(459,975)	(460,000)
Net assets		502,619	907,772
Funds of the charity:			
Restricted income funds			
Restricted funds		159,031	157,884
Unrestricted income funds			
Designated Funds		-	143,000
General Funds		343,588	606,888
Total unrestricted funds		343,588	749,888
Total funds	24	502,619	907,772

The financial statements on pages 13 to 38 were approved by the trustees, and authorised for issue on 29 August 2025 and signed on their behalf by:

M W Kelly
Chairman and Trustee

D S Layland
Trustee

EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024 £	2023 £
Cash flows from operating activities			
Net cash expenditure		(400,010)	(375,854)
Adjustments to cash flows from non-cash items			
Depreciation	15	84,243	246,187
Investment income	5	(1,137)	(2,445)
(Profit)/loss on disposal of tangible fixed assets		(19,916)	2,881
		(336,820)	(129,231)
Working capital adjustments			
Decrease in stocks	17	8,466	591
Decrease in debtors	18	39,929	134,694
Increase in creditors	20, 21	72,903	20,359
Decrease in provisions	22	(25)	-
Increase/(decrease) in deferred income	21	146,322	(10,176)
Net cash flows from operating activities		(69,225)	16,237
Cash flows from investing activities			
Interest receivable and similar income	5	1,137	2,445
Purchase of tangible fixed assets	15	(127,742)	(248,475)
Sale of tangible fixed assets		23,090	2,159
Net cash flows from investing activities		(103,515)	(243,871)
Cash flows from financing activities			
Repayment of loans and borrowings	20, 21	(80,000)	(81,000)
Net decrease in cash and cash equivalents		(252,740)	(308,634)
Cash and cash equivalents at 1 January		472,772	781,406
Cash and cash equivalents at 31 December		220,032	472,772

All of the cash flows are derived from continuing operations during the above two periods.

1 Charity status

The charity is limited by guarantee, incorporated in England and Wales, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £10 towards the assets of the charity in the event of liquidation.

The address of its registered office is:
Bolton Street Station
Bolton Street
Bury
Lancashire
BL9 0EY

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) issued in October 2019 , the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also comply with the Companies Act 2006 and Charities Act 2011.

Basis of preparation

East Lancashire Light Railway Company Limited 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 presented in £ sterling.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the charity and its subsidiary undertakings drawn up to 31 December 2024.

No statement of financial activities is presented for the charity as permitted by section 408 of the Companies Act 2006. The charity made a loss after tax for the financial year of £405,154 (2023 - loss of £366,160).

The subsidiary East Lancashire Railway Limited (company number 12381729) is a wholly owned trading company. The trading activities of East Lancashire Light Railway Company Limited were transferred to the subsidiary on 1 January 2020.

The accounting policies of subsidiary are consistent with the policies adopted by the group.

Going concern

The directors' concerns are in respect of the ability of a related entity to meet its obligations to maintain the railway structures. Detailed reports submitted to the Board of that entity have been considered, which indicate over a three year period, the obligations should be met.

Ongoing economic pressures have also been considered by the Board of this company, and forecasts have been prepared covering the period to December 2026 which have been subjected to sensitivity analysis. The Directors recognise that, in preparing the forecasts, there is an inherent risk that the plans may not be achieved. Despite this risk, the Directors believe that the Railway has secured sufficient financial reserves to enable it to continue as a going concern.

Income and endowments

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity 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 these conditions will be fulfilled in the reporting period.

Legacy gifts are recognised on a case by case basis following the grant 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 reliably measurable with a degree of reasonable accuracy and the title to the asset having been transferred to the charity.

Grants receivable

Grants are recognised when the group has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Deferred income
Deferred income represents amounts received for future periods and is released to incoming resources in the period for which, it has been received. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

Investment income
Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

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.

Raising funds
These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

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.

Repairs and maintenance
The day to day maintenance and operational repairs are charged to trading activities and undertaken by the trading subsidiary. Major refurbishment and cyclical overhaul to maintain the heritage assets is treated as a charitable activity and is undertaken by the charity.

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

Grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable.

Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised.

Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

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 charitable company 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

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

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
Museum	20 to 50 years straight line
Infrastructure and buildings	20 to 50 years straight line
Office fixtures and equipment	5 to10 years straight line
Rolling Stock	10 to 50 years straight line
Plant and machinery	10 to 50 years straight line

Business combinations

Business combinations are accounted for under the purchase method. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the group. All intra-group transactions, balances, income and expenses are eliminated on consolidation. In accordance with Section 35 of FRS 102, Section 19 of FRS 102 has not been applied in these financial statements in respect of business combinations effected prior to the date of transition.

Stock
Stock is valued at the lower of cost and estimated selling price less costs to complete and sell, after due regard for obsolete and slow moving stocks. Cost is determined using the first-in, first-out (FIFO) basis.

Trade debtors
Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

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.

Trade creditors
Creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Deferred income
Deferred income are monies taken in advance for bookings yet to take place. Once the events have taken place the income is transferred to the profit and loss account.

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.

Provisions
Provisions are recognised when the charity has an obligation at the reporting date as a result of a past event, it is probable that the charity will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Fund structure

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

Designated funds are unrestricted funds set aside for specific purposes at the discretion of the trustees.

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 are recognised when the charity becomes a party to the contractual provisions of the instrument.

Basic financial assets and liabilities are initially measured at transaction price, unless the arrangement constitutes a financing transaction.

If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future cashflows discounted at a market rate of interest. Such instruments are subsequently measured at amortised cost using the effective interest method.

Other financial assets and liabilities that are not basic financial instruments are initially measured at fair value, which is normally the transaction price. Such instruments are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except where the fair values cannot be measured reliably the instrument is measured at cost less impairment.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Investments

Investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

3 Income from donations and legacies

	Unrestricted funds General £	Restricted funds £	Total 2024 £	Total 2023 £
Donations and legacies;				
Donations from companies, trusts and similar proceeds	-	20,512	20,512	6,792
Donations from individuals	44,400	-	44,400	43,198
Legacies	2,000	-	2,000	-
Grants, including capital grants;				
Government grants	205,777	-	205,777	213,481
	252,177	20,512	272,689	263,471

4 Income from charitable activities

	Unrestricted funds General £	Total 2024 £	Total 2023 £
Education	38,770	38,770	34,530

5 Investment income

	Unrestricted funds General £	Total 2024 £	Total 2023 £
Interest receivable and similar income;			
Interest receivable on bank deposits	1,137	1,137	2,445

6 Other income

	Unrestricted funds General £	Total 2024 £	Total 2023 £
Pub sales	807,200	807,200	1,011,430
Refreshments and catering	1,539,656	1,539,656	1,381,861
Shops and stalls	76,117	76,117	91,041
Fares and charters	1,084,303	1,084,303	1,320,661
Santa events	1,164,409	1,164,409	1,106,152
Footplate experience	60,287	60,287	39,101
Other rolling stock income	43,151	43,151	72,538
Bury Transport Museum	-	-	43,663
Miscellaneous income	78,636	78,636	110,611
Hire of locomotives	-	-	4,000
Rental income	56,763	56,763	56,863
	4,910,522	4,910,522	5,237,921

7 Expenditure on raising funds

a) Costs of generating donations and legacies

Note	Unrestricted funds General £	Total 2024 £	Total 2023 £
Wages - generating funds	75,630	75,630	70,577
Computer software and maintenance costs	69	69	-
Printing, postage and stationery	36	36	76
Trade subscriptions	10,231	10,231	4,831
	85,966	85,966	75,484

b) Costs of trading activities

	Unrestricted funds General £	Total 2024 £	Total 2023 £
Opening stock	129,648	129,648	130,238
Materials	352,956	352,956	357,686
Pub purchases	330,788	330,788	434,416
Refreshments and catering	664,918	664,918	573,477
Shops and stalls	32,702	32,702	64,293
Special events	473,946	473,946	528,959
Closing stock	(114,955)	(114,955)	(129,648)
Wages and salaries	1,054,371	1,054,371	1,099,774
Commissions payable	159,375	159,375	157,263
Miscellaneous direct costs	46,361	46,361	44,929
Line operating charges	290,847	290,847	358,407
Rent and rates	45,770	45,770	41,271
Light, heat and power	232,793	232,793	188,421
Repairs and maintenance	174,498	174,498	190,554
Insurance	8,632	8,632	12,345
Telephone and fax	17,688	17,688	18,352
Computer software and maintenance costs	58,592	58,592	64,805
Printing, postage and stationery	9,977	9,977	17,536
Courier services	31,978	31,978	34,608
Trade subscriptions	13,862	13,862	12,739
Equipment hire	6,298	6,298	4,226
Lease of motor vehicles (Operating leases)	2,738	2,738	2,655
Sundry expenses	15,228	15,228	8,459
Laundry and cleaning	118,055	118,055	103,269
Health and saftey	30,862	30,862	49,828
Travel and subsistence	73,443	73,443	50,270
Promotional expenses	155,785	155,785	176,661
Legal and professional fees	38,653	38,653	41,574
Bad debts written off	400	400	11,442
Bank charges	41,315	41,315	40,287
Depreciation, amortisation and other similar costs	29,496	29,496	19,445
	4,527,020	4,527,020	4,708,541

8 Expenditure on charitable activities

	Note	Unrestricted funds General £	Restricted funds £	Total 2024 £	Total 2023 £
Education		10,462	-	10,462	22,080
Restoration and repair		669,342	9,302	678,644	584,836
Depreciation, amortisation and other similar costs		24,768	10,063	34,831	230,540
Staff costs		156,056	-	156,056	164,547
Governance costs	10	14,260	-	14,260	9,988
		874,888	19,365	894,253	1,011,991

In addition to the expenditure analysed above, there are also governance costs of £14,260 (2023 - £9,988) which relate directly to charitable activities. See note 10 for further details.

9 Other expenditure

	Note	Unrestricted funds General £	Total 2024 £	Total 2023 £
Ground rent Castlecroft		104	104	104
Insurance		93,144	93,144	89,513
Security costs		2,603	2,603	2,290
Promotion and marketing BTM		439	439	-
Legal and professional fees		9,235	9,235	7,910
Bank interest payable		1	1	609
Bank loan interest payable		10,363	10,363	17,779
		115,889	115,889	118,205

10 Analysis of governance and support costs

Governance costs

	Unrestricted funds General £	Total 2024 £	Total 2023 £
Audit fees			
Audit of the financial statements	10,735	10,735	6,998
Other fees paid to auditors	3,525	3,525	2,990
	14,260	14,260	9,988

11 Net incoming/outgoing resources

Net outgoing resources for the year include:

	2024 £	2023 £
Audit fees	10,735	6,998
(Profit)/loss on disposal of tangible fixed assets	(19,916)	2,881
Depreciation of fixed assets	54,747	227,659

12 Staff costs

The aggregate payroll costs were as follows:

	2024 £	2023 £
Staff costs during the year were:		
Wages and salaries	1,441,729	1,469,044
Social security costs	117,585	118,201
Pension costs	28,713	26,805
Other staff costs	-	638
	1,588,027	1,614,688

The monthly average number of persons (including senior management / leadership team) employed by the group during the year expressed as full time equivalents was as follows:

	2024 No	2023 No
Average staff employed	109	98

The average number of staff in whole time equivalents is 62 (2023 - 64)

No employee received emoluments of more than £60,000 during the year.

13 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the group during the year.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

14 Taxation

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

15 Tangible fixed assets

Group	<Heritage Assets> Bury transport museum £	Infrastructure and buildings £	Rolling stock £	Fixtures and equipment £	Plant and machinery £	Total £
Cost						
At 1 January 2024	3,384,942	1,709,257	2,114,213	420,567	381,186	8,010,165
Additions	-	48,354	22,579	46,098	10,711	127,742
Disposals	-	(16,226)	(44,143)	(4,052)	-	(64,421)
At 31 December 2024	3,384,942	1,741,385	2,092,649	462,613	391,897	8,073,486
Depreciation						
At 1 January 2024	855,397	792,115	995,857	221,401	316,121	3,180,891
Charge for the year	62,415	(8,423)	(43,935)	49,815	24,371	84,243
Eliminated on disposals	-	(13,822)	(43,445)	(3,982)	-	(61,249)
At 31 December 2024	917,812	769,870	908,477	267,234	340,492	3,203,885
Net book value						
At 31 December 2024	2,467,130	971,515	1,184,172	195,379	51,405	4,869,601
At 31 December 2023	2,529,545	917,142	1,118,356	199,166	65,065	4,829,274

Charity

	< Heritage Assets >					
	Bury transport museum £	Infrastructure and buildings £	Rolling stock £	Fixtures and equipment £	Plant and machinery £	Total £
Cost						
At 1 January 2024	3,384,942	1,709,257	2,114,213	143,728	381,186	7,733,326
Additions	-	48,354	22,579	16,410	10,711	98,054
Disposals	-	(16,226)	(44,143)	(4,052)	-	(64,421)
At 31 December 2024	3,384,942	1,741,385	2,092,649	156,086	391,897	7,766,959
Depreciation						
At 1 January 2024	855,397	792,115	995,857	90,373	316,121	3,049,863
Charge for the year	62,415	(8,423)	(43,935)	20,319	24,371	54,747
Eliminated on disposals	-	(13,822)	(43,445)	(3,982)	-	(61,249)
At 31 December 2024	917,812	769,870	908,477	106,710	340,492	3,043,361
Net book value						
At 31 December 2024	2,467,130	971,515	1,184,172	49,376	51,405	4,723,598
At 31 December 2023	2,529,545	917,142	1,118,356	53,355	65,065	4,683,463

16 Fixed asset investments

Charity

Shares in group undertakings and participating interests

	Subsidiary undertakings £	Total £
Cost		
At 1 January 2024	1	1
At 31 December 2024	1	1
Net book value		
At 31 December 2024	1	1
At 31 December 2023	1	1

Details of undertakings

Details of the investments in which the charity holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held		Principal activity
			2024	2023	
Subsidiary undertakings					
East Lancashire Railway Limited	England	Ordinary £1	100%	100%	light railway operator

17 Stock

	Group		Charity
	2024	2023	2024
	£	£	£
Stocks	121,182	129,648	-

18 Debtors

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Trade debtors	18,426	30,317	-	-
Prepayments	76,700	70,161	45,355	40,499
Other debtors	37,126	71,703	25,436	40,792
	132,252	172,181	70,791	81,291

19 Cash and cash equivalents

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Cash on hand	20,992	16,145	-	-
Cash at bank	199,040	456,627	1,000	143,000
	220,032	472,772	1,000	143,000

20 Creditors: amounts falling due within one year

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Trade creditors	521,441	408,167	-	-
Other loans	80,000	80,000	80,000	80,000
Due to group undertakings	-	-	804,364	422,765
Other taxation and social security	14,206	18,464	14,206	10,049
Other creditors	13,025	12,796	8,416	7,832
Accruals	198,068	234,410	37,364	24,678
Deferred income	539,762	367,227	-	-
	1,366,502	1,121,064	944,350	545,324

21 Creditors: amounts falling due after one year

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Other loans	33,334	113,334	33,334	113,334
Deferred income	2,855,112	2,881,325	2,855,112	2,881,325
	2,888,446	2,994,659	2,888,446	2,994,659

22 Provisions

Group and Charity

	Provision	Total
	£	£
At 1 January 2024	460,000	460,000

The provision relates to ongoing maintenance commitments at the year end.

23 Pension and other schemes

Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £32,240 (2023 - £51,725).

24 Funds

Group

	Balance at 1 January 2024 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 December 2024 £
Unrestricted funds					
General					
General Funds	727,270	4,148,235	(4,549,392)	143,000	469,113
Designated					
Locomotive refurbishment reserve	143,000	-	-	(143,000)	-
Total unrestricted funds	870,270	4,148,235	(4,549,392)	-	469,113
Restricted funds					
Education	49,989	-	316	-	50,305
Restoration and repair	12,331	20,512	(9,302)	-	23,541
Aquisition of rolling stock	95,564	-	(10,379)	-	85,185
	157,884	20,512	(19,365)	-	159,031
Total funds	1,028,154	4,168,747	(4,568,757)	-	628,144

Charity

	Balance at 1 January 2024 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 December 2024 £
Unrestricted funds					
General					
General Funds	606,889	653,336	(1,059,637)	143,000	343,588
Designated					
Locomotive refurbishment reserve	143,000	-	-	(143,000)	-
Total unrestricted funds	749,889	653,336	(1,059,637)	-	343,588
Restricted funds					
Education	49,989	-	316	-	50,305
Restoration and repair	12,331	20,512	(9,302)	-	23,541
Aquisition of rolling stock	95,564	-	(10,379)	-	85,185
	157,884	20,512	(19,365)	-	159,031
Total funds	907,773	673,848	(1,079,002)	-	502,619

25 Analysis of net assets between funds

Group

	Unrestricted funds General	Restricted funds	Total funds at 31 December 2024
	£	£	£
Tangible fixed assets	4,734,111	135,490	4,869,601
Current assets	449,925	23,541	473,466
Current liabilities	(1,366,502)	-	(1,366,502)
Creditors over 1 year	(2,888,446)	-	(2,888,446)
Provisions	(459,975)	-	(459,975)
Total net assets	469,113	159,031	628,144

	Unrestricted funds		Restricted funds	Total funds at 31 December 2023
	General	Designated		
	£	£	£	£
Tangible fixed assets	4,683,721	-	145,553	4,829,274
Current assets	619,270	143,000	12,331	774,601
Current liabilities	(1,121,064)	-	-	(1,121,064)
Creditors over 1 year	(2,994,659)	-	-	(2,994,659)
Provisions	(460,000)	-	-	(460,000)
Total net assets	727,268	143,000	157,884	1,028,152

Charity

	Unrestricted funds General	Restricted funds	Total funds at 31 December 2024
	£	£	£
Tangible fixed assets	4,588,108	135,490	4,723,598
Fixed asset investments	1	-	1
Current assets	48,250	23,541	71,791
Current liabilities	(944,350)	-	(944,350)
Creditors over 1 year	(2,888,446)	-	(2,888,446)
Provisions	(459,975)	-	(459,975)
Total net assets	343,588	159,031	502,619

	Unrestricted funds		Restricted funds	Total funds at 31 December 2023
	General	Designated		
	£	£	£	£
Tangible fixed assets	4,537,910	-	145,553	4,683,463
Fixed asset investments	1	-	-	1
Current assets	68,960	143,000	12,331	224,291
Current liabilities	(545,324)	-	-	(545,324)
Creditors over 1 year	(2,994,659)	-	-	(2,994,659)
Provisions	(460,000)	-	-	(460,000)
Total net assets	606,888	143,000	157,884	907,772

26 Analysis of net funds

Group

	At 1 January 2024	At 31 December 2024
	£	£
Cash at bank and in hand	472,772	472,772
Net debt	472,772	472,772

	At 1 January 2023	At 31 December 2023
	£	£
Cash at bank and in hand	781,406	781,406
Net debt	781,406	781,406

27 Related party transactions

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

East Lancashire Railway Holdings Limited
The company is a related party by virtue of having common directors.
East Lancashire Railway Holdings Limited is an incorporated charity with similar objects to East Lancashire Light Railway Company Limited. Donation to East Lancashire Railway Holdings Limited are remitted to East Lancashire Light Railway Company Limited. East Lancashire Railway Holdings Limited is administered by the office staff of East Lancashire Light Railway Company Limited. At the balance sheet date the amount due to/from from East Lancashire Railway Holdings Limited was £Nil (2023 - £17,725).

EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED

England & Wales - Charity number 1186648

Accounts

Company registration number: 2023981

Charity registration number: 1186648

EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED
(A COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2023

EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED

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EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED

REFERENCE AND ADMINISTRATIVE DETAILS

Chairman	M W Kelly
Trustees	M W Kelly R G Chapman C R Law D S Layland S M Lea A Lee C Phillips G S Thornton K A Whitmore A Thomas M A Gardiner
Charity Registration Number	1186648
Company Registration Number	2023981
	The charity is incorporated in England and Wales.
Registered Office	Bolton Street Station Bolton Street Bury Lancashire BL9 0EY
Auditor	Horsfield & Smith Tower House 269 Walmersley Road Bury Lancashire BL9 6NX

EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED

TRUSTEES REPORT

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 December 2023.

Trustees and Officers

The trustees and officers serving during the year and since the year end were as follows:

Trustees:	M W Kelly
	R G Chapman
	C R Law
	D S Layland
	S M Lea
	A Lee
	C Phillips
	G Thomas (resigned 23 February 2023)
	G S Thornton
	K A Whitmore
	A Thomas (appointed 7 December 2023)
	M A Gardiner (appointed 23 September 2023)
Chairman:	M W Kelly

Objectives and activities

Objects and aims

The object of the charity is to advance education for the benefit of the public in the history, construction, engineering and operation of the East Lancashire Railway by:

a) The acquisition, restoration, preservation and operation of heritage railway locomotives, carriages, wagons, station buildings, track between Rawtenstall and Heywood and other associated heritage infrastructure; and

b) The establishment and maintenance of a museum.

Public benefit

The Charity aims to educate visitors to the heritage East Lancashire Railway about the different eras and activities in the history of the railways.

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Use of volunteers

The charity and its subsidiary trading company would not be able to provide the services they do without the dedicated volunteers who give their time to the Railway. The companies are committed to the development of volunteers and improving volunteer recruitment, key base skills training and departmental placement sympathetic to specific departmental requirements.

TRUSTEES REPORT

Structure, governance and management

Nature of governing document
The organisation is a charitable company.

The company was incorporated on 29 May 1986 and is limited by guarantee. In the event being wound up each member is required to contribute an amount not exceeding ten pounds.

The company was established under a memorandum of association which established the objects and powers and is governed under its articles of association (last updated November 2019).

Organisational structure
The company operated as a trading company up to December 2019. On 1 January 2020 the company was granted charitable status and the trading activities were passed to a new wholly owned trading subsidiary company East Lancashire Railway Limited.

Recruitment and appointment of trustees
Trustees are appointed by ordinary resolution at a general meeting. There is no maximum number of trustees, the minimum is four. One third are required to retire by rotation at the annual general meeting of the charity. Where the trustees appoint a person who is willing to act as a trustee either to fill a vacancy or as an additional trustee that person must retire and may offer themselves for re-election at the next annual general meeting.

A person may not serve as a trustee unless they are a member of the charity. A person ceasing to be a member shall automatically cease to be a trustee.

Achievements and performance

2023 saw the continuation of the 'cost of living' crisis and variable consumer confidence with inevitable consequences for average visitor spend and donations. The railway has continued to experience high energy and fuel charges along with well above inflation increases in the 'Living' and 'Minimum' wages for two consecutive years. Whilst tackling the challenges the Railway has been very creative in generating record revenues by introducing new family friendly and heritage events which provide a more diverse suite of events, galas and historic celebrations, such as the growing wedding's schedule and those linked to heritage milestones.

The return of the Flying Scotsman was a welcome boost both to visitor numbers and revenues.

Following the return of the Union of South Africa to its permanent home in Fife, Scotland. The refresh of museum artefacts continued throughout 2023. The 2500 Tilbury Tank has been loaned by the National Railway Museum and early in the year Wren arrived on loan in conjunction with the Bahamas Locomotive Society. The museum has collaborated with local theatres, lending several items to the Royal Exchange, Manchester for their Christmas production of Brief Encounter and cast members from The Bolton Octagon visited the Museum to film one of their productions.

There was a successful event with 'An evening with Lord Peter Hendy' (chair of Network Rail and new Chair of the Heritage Railway Association) which was a major coup for the museum.

The museum has also successfully hosted a wide range of events supporting and increased number of family based events including new events such as Gruffalo and Peter Rabbit. The trading company ramped-up it's licensed character events in 2023 following the successful pilot with "Peppa Pig" in 2022. Events have been added without having to change the train timetable, and a full programme of 13 dates and six themes operated in 2023.

With schools breaking up late at Christmas there were fewer dates available with 102 Santa Special Trains operated, compared to 114 in 2022. The Santa 'SEND' train, introduced in 2023 was a resounding success, running at full occupancy. The plan for 2024 is to increase the number of SEND trains.

The overall visitors for 2023 was 141,235 compared to 130,847 in 2022.

Following the renovation of The Trackside pub in 2022 both Pubs (at Bury and Rawtenstall) performed strongly providing positive financial contributions with revenues up by 20%.

Staff from Network Rail Northwest joined volunteers at the ELR for a day and Network Rail used the railway to test their experimental railhead treatment train. It is hoped that a mutually beneficial partnership will continue to develop in 2024, whereby Network Rail will gift the East Lancs Railway, usable and appropriate redundant assets in return for training of Network Rail staff in various operating roles.

During 2023 a project started to re-paint the Rawtenstall Station into L&Y colours with the outside completed by November. The internal part of the station will be done during 2024.

From January to mid March 440 yards (or 22 panels) of track to the north of Stubbins Station was relayed. The permanent way team devoted almost 500 man -days and operated through the very worst of the English winter weather.

The maintenance and restoration of heritage railway rolling stock has continued during the year and a summary is given below of work undertaken on ELR owned and privately owned but ELR resident locomotives and rolling stock:

- ongoing long-term refurbishment of steam locos 47324 and Ivatt 46428;
- ongoing boiler overhaul of 80097 and remedial work to the boiler of 34092 City of Wells;
- rectification work was completed on steam loco 47298;
- repairs to the diesel locos D7076 and 37109, as well as DMU set 50455/0517 were completed and these are now back in traffic;
- work is ongoing every week by the D5705 CoBo's dedicated team, and steady progress is being made;
- work progressing behind the scenes on D8233;
- the refurbishment of the heavily rotted cabs on 33117 by an outside contractor and the loco has been given a coat of protected gloss paint;
- the Rawtenstall café coach which came into the shop for a repaint and bodywork repair;
- a full and extensive restoration of coach 14019 has now been completed with some of the repaint costs kindly sponsored by local company Autosave; and
- a quick repair to coach 4917 has proved to be more in-depth and is ongoing. Regretfully this is now becoming more and more prevalent with the fleet of Mark 1 coaches which are needing more and more significant repairs, and with limited resources this is an area of concern.

As always much of this work has only been possible because of the dedicated support of the volunteers and the Board are thankful to them for the time they give to the Railway.

Financial review

Despite everyone's best efforts ELR returned a net deficit for the year of £375,854.

2023 was a particularly difficult year with utilities costs, including coal, diesel fuel, electric & gas all incurring significant (massive) additional costs that could not have been foreseen when the budget for the year was drawn up. The ELR was not alone in this difficulty amongst heritage railways, and these costs had to be absorbed with little or no ability to recoup. Customer confidence was still slow in responding post Covid and this is still the case with noticeably later booking of pre-paid events occurring which is not particularly easy to forecast, restricting certainty.

In addition to this, it was necessary to spend some £139,000 on the roof of the Baron Street building which is not an ELR asset. This has had to continue in 2024 which will adversly affect (again) the financial result. However agreement has now been forthcoming for a significant contribution each year from the local Authority to assist with the costs of this building which will reduce the ELR contribution - whilst a longer term solution is sought.

A further cost incurred in 2023 that affected the financial performance was a late decision to operate many of the ELR Dining with Distinction services as 'standalone' services, thus incurring significant additional costs, both in locomotive hire costs, coal and the number of volunteer turns required which proved difficult to resource. This was considered necessary after due consideration of customer experience, ease and safety of operation. Some adjustment is intended to be made next year which should have a significant cashflow advantage.

A long term utilities contract has been negotiated, which will provide further security regarding in particular gas & electric costs.

Policy on reserves

So far as practicable the Trustees intend to reinvest surpluses in projects which will advance the charitable objects. This has not been possible in 2023 and the charity has needed to draw on its reserves to continue its planned maintenance and restoration projects.

Investment policy and objectives

Under the Memorandum and Articles of association, the charity has the power to make any investment the Trustees consider will further the objects of the charity.

Currently neither the charity nor its trading subsidiary have excess funds available to invest. When such funds become available the Trustees feel that short term readily available products would be most suited to meet uncertain short term demands.

Plans for future periods

The squeeze on finances has prevented the Board adding to the designated locomotive refurbishment reserve for the refurbishment of locomotives when their tickets expire. Although provision was made in 2021 for the restoration of the CRAB locomotive, at the moment the fund is not sufficient to complete these works. The planned overhaul of this engine has been put on hold for the time being.

Following the grant of planning permission for the re-development at Buckley Wells on 22nd February 2022 progressing and completing the discharge of planning conditions has been complicated by a late addition to the requirements to upgrade the unadopted section of Baron Street to 'highway standard'. This multi-million pound project will take several years to complete and is to be progressed in stages.

There is a comprehensive programme for restoration and repair of the Grade II Listed workshops shed dating from 1857. The building will continue to be used for the restoration and repair of locomotives including workshops and stores. A public viewing gallery will enable visitors to the Railway to observe the works in operation. An extension on the footprint of the former shed (demolished in the 1970's) will provide new offices, welfare and training facilities to support engineering training and development skills for future generations of engineers.

The erection of a new carriage shed will house, restore and repair the fleet of historic railway coaches. The new facility will be vital for the protection of coaches from the elements and vandalism. This should extend the maintenance cycle to approximately 12-15 as opposed to the current 7 years. Eco friendly and sustainable add-ons being considered for this phase of development include installing solar panels to reduce the energy costs and harvesting rain water to provide water for the steam locomotives.

Within the site a new access road and new track will be reconfigured and re-laid to ensure access to new facilities and the safe movement of traction and rolling stock around the site.

It's also proposed to expand the operational capacity of the site with new areas for external storage facilities for fuel and with ambitions to install a traction and rolling stock turntable.

The roof on the Baron Street works is in need of replacement. The ELR are actively looking for grant funding for this project.

A grant funding application has been submitted to the Community Ownership Fund for the Higher Woodhill Viaduct.

Going concern

The Company is dependent on a related entity being able to meet its obligations in respect of the maintenance of key structures along the route of the railway. The impact of any restrictions in the use of the structures would be significant on the operations of the company. The directors have considered the most recent report to the Board of the related entity, in which there are detailed realistic plans covering the foreseeable future that indicate that the obligations can be met, and the schedule of planned maintenance work confirms this position.

The directors are concerned by the ongoing economic pressures. The cost of living crisis is impacting on the public donations and income available from the trading company. In order to complete the ambitious plans for the future funding sources need to be identified.

Forecasts have been prepared covering the period to December 2026 and these have been subjected to sensitivity analysis. The Directors recognise that, in preparing the forecasts, there is an inherent risk that the plans may not be achieved. Despite this risk, the Directors believe that the Railway has secured sufficient financial reserves to enable it to continue as a going concern.

Relationships with related parties

East Lancashire Railway Holdings Limited
The charity is under the control of a charitable holding company East Lancashire Railway Holdings Limited. As part of the re-structuring of the Railway it is the intention that East Lancashire Railway Holdings Limited will be closed and its charitable objects carried on by East Lancashire Light Railway Company Limited. On 1 January 2020 the benefit of the funds in East Lancashire Railway Holdings Limited was passed to the charity. Since then any donations received by East Lancashire Railway Holdings Limited have been remitted to East Lancashire Light Railway Limited.

Financial instruments

Objectives and policies
The group's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the group's policies approved by the board of trustees, which provide written principles on the use of financial derivatives to manage these risks. The group does not use derivative financial instruments for speculative purposes.

Cash flow risk
The Charity relies on public donations to enable it to provide funds for the projects currently being financed. Cashflow can be very much affected by the willingness and ability of the general public to make donations.

Credit risk
The Charity's principal financial assets are bank balances and cash, and other receivables.
The charity's primary credit risk is attributable to its receivables from the East Lancashire Railway Limited. An allowance for impairment is made where there is an identifiable loss as a result of a going concern risk in that company that would evidence a reduction in the recoverability.

Liquidity risk
In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the group uses a mixture of long-term and short-term debt finance.
Further details regarding liquidity risk can be found in the Statement of accounting policies in the financial statements.

Reputational risk
In accordance with current best practise, the charity maintains various registers to enable it to monitor performance and compliance.

Disclosure of information to auditor
Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Reappointment of auditor
The auditors Horsfield & Smith are deemed to be reappointed under section 487(2) of the Companies Act 2006.

TRUSTEES REPORT

Statement of Responsibilities

The trustees (who are also the directors of East Lancashire Light Railway Company Limited 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 (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

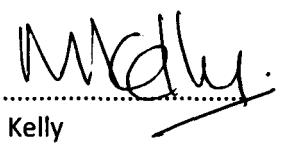
Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the parent charitable company and the group and of the incoming resources and application of resources, including its income and expenditure, of the charitable group 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 parent charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that can disclose with reasonable accuracy at any time the financial position of the parent charitable company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the parent charitable company and the group 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 charitable company's website. Legislation governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The annual report was approved by the trustees of the charity on 30 August 2024 and signed on its behalf by:



M W Kelly
Chairman and Trustee

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED

Opinion

We have audited the financial statements of East Lancashire Light Railway Company Limited (the 'charitable parent company') and its subsidiaries (the 'group') for the year ended 31 December 2023, which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Cash Flows and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice) and applicable law.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as at 31 December 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees Report.

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

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

Responsibilities of trustees

As explained more fully in the Statement of Responsibilities (set out on page 8), the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We considered the nature of the industry and its control environment and reviewed the documentation of the charity's policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the charity and trading subsidiary operate in and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, Charities Act, and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the ability to operate or to avoid a material penalty. These included the line operating licence.

We ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

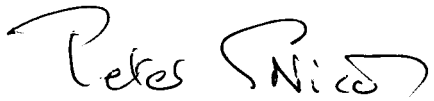
- agreeing financial statement disclosures to supporting documentation;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the FRC's website at:
https://www.frc.org.uk/auditors/audit-assurance/auditorsresponsibilities
This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable parent company's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the group's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable parent company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.



P G Nicol (Senior Statutory Auditor)
For and on behalf of Horsfield & Smith, Statutory Auditor

Tower House
269 Walmersley Road
Bury
Lancashire
BL9 6NX

30 August 2024

EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2023
(INCLUDING CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES)

	Note	Unrestricted funds Designated £	Unrestricted funds General £	Restricted funds £	Total 2023 £
Income and Endowments from:					
Donations and legacies	3	-	257,151	6,320	263,471
Charitable activities	4	-	34,530	-	34,530
Investment income	5	-	2,445	-	2,445
Other income	6	-	5,237,921	-	5,237,921
Total Income		-	5,532,047	6,320	5,538,367
Expenditure on:					
Raising funds	7	-	(4,784,025)	-	(4,784,025)
Charitable activities	8	-	(990,379)	(21,612)	(1,011,991)
Other expenditure	9	-	(118,205)	-	(118,205)
Total Expenditure		-	(5,892,609)	(21,612)	(5,914,221)
Net expenditure		-	(360,562)	(15,292)	(375,854)
Transfers between funds		(7,000)	7,000	-	-
Net movement in funds		(7,000)	(353,562)	(15,292)	(375,854)
Reconciliation of funds					
Total funds brought forward		150,000	1,080,830	173,176	1,404,006
Total funds carried forward	24	143,000	727,268	157,884	1,028,152

The notes on pages 18 to 38 form an integral part of these financial statements.

EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2023 (INCLUDING CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES)

	Note	Unrestricted funds Designated £	Unrestricted funds General £	Restricted funds £	Total 2022 £
Income and Endowments from:					
Donations and legacies	3	-	353,846	7,577	361,423
Investment income	5	-	805	-	805
Other income	6	-	4,768,035	-	4,768,035
Total Income		-	5,122,686	7,577	5,130,263
Expenditure on:					
Raising funds	7	-	(4,584,260)	-	(4,584,260)
Charitable activities	8	-	(531,546)	(14,592)	(546,138)
Other expenditure	9	-	(115,363)	-	(115,363)
Total Expenditure		-	(5,231,169)	(14,592)	(5,245,761)
Net expenditure		-	(108,483)	(7,015)	(115,498)
Net *movement in funds*		-	(108,483)	(7,015)	(115,498)
Reconciliation of funds					
Total funds brought forward		150,000	1,189,314	180,191	1,519,505
Total funds carried forward	24	150,000	1,080,831	173,176	1,404,007

All of the group's activities derive from continuing operations during the above two periods.

The funds breakdown is shown in note 24.

EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED

(REGISTRATION NUMBER: 2023981)
CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	15	4,829,274	4,832,027
Current assets			
Stocks	17	129,648	130,239
Debtors	18	172,181	306,875
Cash at bank and in hand	19	472,772	781,406
		774,601	1,218,520
Creditors: Amounts falling due within one year	20	(1,121,064)	(1,086,072)
Net current (liabilities)/assets		(346,463)	132,448
Total assets less current liabilities		4,482,811	4,964,475
Creditors: Amounts falling due after more than one year	21	(2,994,659)	(3,100,468)
Provisions	22	(460,000)	(460,000)
Net assets		1,028,152	1,404,007
Funds of the group:			
Restricted income funds			
Restricted funds		157,884	173,176
Unrestricted income funds			
Designated Funds		143,000	150,000
General Funds		727,268	1,080,831
Total unrestricted funds		870,268	1,230,831
Total funds	24	1,028,152	1,404,007

The financial statements on pages 13 to 38 were approved by the trustees, and authorised for issue on 30 August 2024 and signed on their behalf by:

M W Kelly
Chairman and Trustee

D S Layland
Trustee

EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED

(REGISTRATION NUMBER: 2023981)
BALANCE SHEET
AS AT 31 DECEMBER 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	15	4,683,463	4,682,186
Investments		1	1
		4,683,464	4,682,187
Current assets			
Debtors	18	81,291	88,732
Cash at bank and in hand	19	143,000	367,084
		224,291	455,816
Creditors: Amounts falling due within one year	20	(545,324)	(303,601)
Net current (liabilities)/assets		(321,033)	152,215
Total assets less current liabilities		4,362,431	4,834,402
Creditors: Amounts falling due after more than one year	21	(2,994,659)	(3,100,468)
Provisions	22	(460,000)	(460,000)
Net assets		907,772	1,273,934
Funds of the charity:			
Restricted income funds			
Restricted funds		157,884	173,176
Unrestricted income funds			
Designated Funds		143,000	150,000
General Funds		606,888	950,758
Total unrestricted funds		749,888	1,100,758
Total funds	24	907,772	1,273,934

The financial statements on pages 13 to 38 were approved by the trustees, and authorised for issue on 30 August 2024 and signed on their behalf by:

M W Kelly
Chairman and Trustee

D S Layland
Trustee

EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash expenditure		(375,854)	(115,498)
Adjustments to cash flows from non-cash items			
Depreciation	15	246,187	233,630
Investment income	5	(2,445)	(805)
Loss/(profit) on disposal of tangible fixed assets		2,881	(42)
		(129,231)	117,285
Working capital adjustments			
Decrease in stocks	17	591	1,785
Decrease/(increase) in debtors	18	134,694	(35,189)
Increase in creditors	20, 21	20,359	2,047
Decrease in deferred income	21	(10,176)	(58,475)
Net cash flows from operating activities		16,237	27,453
Cash flows from investing activities			
Interest receivable and similar income	5	2,445	805
Purchase of tangible fixed assets	15	(248,475)	(301,797)
Sale of tangible fixed assets		2,159	41
Net cash flows from investing activities		(243,871)	(300,951)
Cash flows from financing activities			
Repayment of loans and borrowings	20, 21	(81,000)	(80,453)
Net decrease in cash and cash equivalents		(308,634)	(353,951)
Cash and cash equivalents at 1 January		781,406	1,135,357
Cash and cash equivalents at 31 December		472,772	781,406

All of the cash flows are derived from continuing operations during the above two periods.

1 Charity status

The charity is limited by guarantee, incorporated in England and Wales, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £10 towards the assets of the charity in the event of liquidation.

The address of its registered office is:
Bolton Street Station
Bolton Street
Bury
Lancashire
BL9 0EY

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) issued in October 2019 , the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also comply with the Companies Act 2006 and Charities Act 2011.

Basis of preparation

East Lancashire Light Railway Company Limited 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 presented in £ sterling.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the charity and its subsidiary undertakings drawn up to 31 December 2023.

No statement of financial activities is presented for the charity as permitted by section 408 of the Companies Act 2006. The charity made a loss after tax for the financial year of £366,160 (2022 - loss of £251,182).

The subsidiary East Lancashire Railway Limited (company number 12381729) is a wholly owned trading company. The trading activities of East Lancashire Light Railway Company Limited were transferred to the subsidiary on 1 January 2020.

The accounting policies of subsidiary are consistent with the policies adopted by the group.

Going concern

The directors' concerns are in respect of the ability of a related entity to meet its obligations to maintain the railway structures. Detailed reports submitted to the Board of that entity have been considered, which indicate over a three year period, the obligations should be met.

Ongoing economic pressures have also been considered by the Board of this company, and forecasts have been prepared covering the period to December 2026 which have been subjected to sensitivity analysis. The Directors recognise that, in preparing the forecasts, there is an inherent risk that the plans may not be achieved. Despite this risk, the Directors believe that the Railway has secured sufficient financial reserves to enable it to continue as a going concern.

Income and endowments

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity 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 these conditions will be fulfilled in the reporting period.

Legacy gifts are recognised on a case by case basis following the grant 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 reliably measurable with a degree of reasonable accuracy and the title to the asset having been transferred to the charity.

Grants receivable

Grants are recognised when the group has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Deferred income
Deferred income represents amounts received for future periods and is released to incoming resources in the period for which, it has been received. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

Investment income
Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

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.

Raising funds
These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

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.

Repairs and maintenance
The day to day maintenance and operational repairs are charged to trading activities and undertaken by the trading subsidiary. Major refurbishment and cyclical overhaul to maintain the heritage assets is treated as a charitable activity and is undertaken by the charity.

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

Grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable.

Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised.

Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

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 charitable company 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

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

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
Museum	20 to 50 years straight line
Infrastructure and buildings	20 to 50 years straight line
Office fixtures and equipment	5 to10 years straight line
Rolling Stock	10 to 50 years straight line
Plant and machinery	10 to 50 years straight line

Business combinations

Business combinations are accounted for under the purchase method. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the group. All intra-group transactions, balances, income and expenses are eliminated on consolidation. In accordance with Section 35 of FRS 102, Section 19 of FRS 102 has not been applied in these financial statements in respect of business combinations effected prior to the date of transition.

Stock

Stock is valued at the lower of cost and estimated selling price less costs to complete and sell, after due regard for obsolete and slow moving stocks. Cost is determined using the first-in, first-out (FIFO) basis.

Trade debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

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.

Trade creditors

Creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Deferred income

Deferred income are monies taken in advance for bookings yet to take place. Once the events have taken place the income is transferred to the profit and loss account.

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.

Provisions

Provisions are recognised when the charity has an obligation at the reporting date as a result of a past event, it is probable that the charity will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Fund structure

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

Designated funds are unrestricted funds set aside for specific purposes at the discretion of the trustees.

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 are recognised when the charity becomes a party to the contractual provisions of the instrument.

Basic financial assets and liabilities are initially measured at transaction price, unless the arrangement constitutes a financing transaction.

If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future cashflows discounted at a market rate of interest. Such instruments are subsequently measured at amortised cost using the effective interest method.

Other financial assets and liabilities that are not basic financial instruments are initially measured at fair value, which is normally the transaction price. Such instruments are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except where the fair values cannot be measured reliably the instrument is measured at cost less impairment.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Investments

Investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

3 Income from donations and legacies

	Unrestricted funds General £	Restricted funds £	Total 2023 £	Total 2022 £
Donations and legacies;				
Donations from companies, trusts and similar proceeds	472	6,320	6,792	8,205
Donations from individuals	43,198	-	43,198	108,264
Legacies	-	-	-	6,000
Grants, including capital grants;				
Government grants	213,481	-	213,481	238,954
	257,151	6,320	263,471	361,423

4 Income from charitable activities

	Unrestricted funds General £	Total 2023 £
Education	34,530	34,530

5 Investment income

	Unrestricted funds General £	Total 2023 £	Total 2022 £
Interest receivable and similar income;			
Interest receivable on bank deposits	2,445	2,445	805

6 Other income

	Unrestricted funds General £	Total 2023 £	Total 2022 £
Pub sales	1,011,430	1,011,430	841,611
Refreshments and catering	1,381,861	1,381,861	1,235,432
Shops and stalls	91,041	91,041	63,898
Fares and charters	1,320,661	1,320,661	1,198,052
Santa events	1,106,152	1,106,152	1,099,777
Footplate experience	39,101	39,101	7,033
Other rolling stock income	72,538	72,538	125,400
Bury Transport Museum	43,662	43,662	46,369
Miscellaneous income	110,612	110,612	92,550
Hire of locomotives	4,000	4,000	14,700
Rental income	56,863	56,863	43,213
	5,237,921	5,237,921	4,768,035

7 Expenditure on raising funds

a) Costs of generating donations and legacies

	Note	Unrestricted funds General £	Total 2023 £	Total 2022 £
Wages - generating funds		70,577	70,577	58,994
Computer software and maintenance costs		-	-	111
Printing, postage and stationery		76	76	153
Trade subscriptions		4,831	4,831	3,579
		75,484	75,484	62,837

b) Costs of trading activities

	Unrestricted funds General £	Total 2023 £	Total 2022 £
Opening stock	130,238	130,238	132,024
Materials	357,686	357,686	387,122
Pub purchases	434,416	434,416	413,902
Refreshments and catering	573,477	573,477	496,800
Shops and stalls	64,293	64,293	46,747
Special events	528,959	528,959	426,428
Closing stock	(129,648)	(129,648)	(130,238)
Wages and salaries	1,099,774	1,099,774	1,005,147
Commissions payable	157,263	157,263	143,997
Miscellaneous direct costs	44,929	44,929	45,187
Line operating charges	358,407	358,407	210,416
Rent and rates	41,271	41,271	35,587
Light, heat and power	188,421	188,421	139,639
Repairs and maintenance	190,554	190,554	331,920
Insurance	12,345	12,345	22,690
Telephone and fax	18,352	18,352	13,608
Computer software and maintenance costs	64,805	64,805	90,247
Printing, postage and stationery	17,536	17,536	14,134
Courier services	34,608	34,608	35,912
Trade subscriptions	12,739	12,739	8,263
Equipment hire	4,226	4,226	11,496
Lease of motor vehicles (Operating leases)	2,655	2,655	3,208
Sundry expenses	8,459	8,459	8,946
Laundry and cleaning	103,269	103,269	68,461
Health and saftey	49,828	49,828	50,163
Travel and subsistence	50,270	50,270	36,065
Promotional expenses	176,661	176,661	139,291
Legal and professional fees	41,574	41,574	72,804
Bad debts written off	11,442	11,442	9,229
Bank charges	40,287	40,287	33,190
Depreciation, amortisation and other similar costs	19,445	19,445	219,038
	4,708,541	4,708,541	4,521,423

8 Expenditure on charitable activities

	Note	Unrestricted funds General £	Restricted funds £	Total 2023 £	Total 2022 £
Education		22,080	-	22,080	7,720
Restoration and repair		577,816	7,020	584,836	478,291
Depreciation, amortisation and other similar costs		215,948	14,592	230,540	14,550
Staff costs		164,547	-	164,547	32,383
Governance costs	10	9,988	-	9,988	13,194
		990,379	21,612	1,011,991	546,138

In addition to the expenditure analysed above, there are also governance costs of £9,988 (2022 - £13,194) which relate directly to charitable activities. See note 10 for further details.

9 Other expenditure

	Note	Unrestricted funds General £	Total 2023 £	Total 2022 £
Ground rent Castlecroft		104	104	104
Insurance		89,513	89,513	79,794
Security costs		2,290	2,290	3,557
Sundry expenses		-	-	1,522
Promotion and marketing BTM		-	-	4,185
Legal and professional fees		7,910	7,910	8,989
Bank interest payable		609	609	394
Bank loan interest payable		17,779	17,779	16,818
		118,205	118,205	115,363

10 Analysis of governance and support costs

Governance costs

	Unrestricted funds General £	Total 2023 £	Total 2022 £
Audit fees			
Audit of the financial statements	6,998	6,998	10,344
Other fees paid to auditors	2,990	2,990	2,850
	9,988	9,988	13,194

11 Net incoming/outgoing resources

Net outgoing resources for the year include:

	2023 £	2022 £
Audit fees	6,998	10,344
Loss/(profit) on disposal of tangible fixed assets	2,881	(42)
Depreciation of fixed assets	227,659	14,592

12 Staff costs

The aggregate payroll costs were as follows:

	2023 £	2022 £
Staff costs during the year were:		
Wages and salaries	1,469,044	1,417,682
Social security costs	118,201	110,671
Pension costs	26,805	24,504
Other staff costs	638	416
	1,614,688	1,553,273

The monthly average number of persons (including senior management / leadership team) employed by the group during the year expressed as full time equivalents was as follows:

	2023 No	2022 No
Administration and support	64	64

No employee received emoluments of more than £60,000 during the year.

13 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the group during the year.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

14 Taxation

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

15 Tangible fixed assets

Group	<Heritage Assets> Bury transport museum £	Infrastructure and buildings £	Rolling stock £	Fixtures and equipment £	Plant and machinery £	Total £
Cost						
At 1 January 2023	3,384,317	1,572,354	2,035,219	405,492	406,378	7,803,760
Additions	625	136,903	83,394	15,075	12,478	248,475
Disposals	-	-	(4,400)	-	(37,670)	(42,070)
At 31 December 2023	3,384,942	1,709,257	2,114,213	420,567	381,186	8,010,165
Depreciation						
At 1 January 2023	787,718	716,182	938,941	192,944	335,948	2,971,733
Charge for the year	67,679	75,933	61,316	28,457	12,802	246,187
Eliminated on disposals	-	-	(4,400)	-	(32,629)	(37,029)
At 31 December 2023	855,397	792,115	995,857	221,401	316,121	3,180,891
Net book value						
At 31 December 2023	2,529,545	917,142	1,118,356	199,166	65,065	4,829,274
At 31 December 2022	2,596,599	856,172	1,096,278	212,548	70,430	4,832,027

Charity

	< Heritage Assets >					
	Bury transport museum £	Infrastructure and buildings £	Rolling stock £	Fixtures and equipment £	Plant and machinery £	Total £
Cost						
At 1 January 2023	3,384,317	1,572,354	2,035,219	143,512	406,378	7,541,780
Additions	625	136,903	83,394	216	12,478	233,616
Disposals	-	-	(4,400)	-	(37,670)	(42,070)
At 31 December 2023	3,384,942	1,709,257	2,114,213	143,728	381,186	7,733,326
Depreciation						
At 1 January 2023	787,718	716,182	938,941	80,805	335,948	2,859,594
Charge for the year	67,679	75,933	61,316	9,568	12,802	227,298
Eliminated on disposals	-	-	(4,400)	-	(32,629)	(37,029)
At 31 December 2023	855,397	792,115	995,857	90,373	316,121	3,049,863
Net book value						
At 31 December 2023	2,529,545	917,142	1,118,356	53,355	65,065	4,683,463
At 31 December 2022	2,596,599	856,172	1,096,278	62,707	70,430	4,682,186

16 Fixed asset investments

Charity

Shares in group undertakings and participating interests

	Subsidiary undertakings £	Total £
Cost		
At 1 January 2023	1	1
At 31 December 2023	1	1
Net book value		
At 31 December 2023	1	1
At 31 December 2022	1	1

Details of undertakings

Details of the investments in which the charity holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held		Principal activity
			2023	2022	
Subsidiary undertakings					
East Lancashire Railway Limited	England	Ordinary £1	100%	100%	light railway operator

17 Stock

	Group		Charity
	2023	2022	2023
	£	£	£
Stocks	129,648	130,239	-

18 Debtors

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Trade debtors	30,317	81,265	-	-
Prepayments	70,161	63,402	40,499	47,733
Other debtors	71,703	162,208	40,792	40,999
	172,181	306,875	81,291	88,732

19 Cash and cash equivalents

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Cash on hand	16,145	1,852	-	-
Cash at bank	456,627	779,554	143,000	367,084
	472,772	781,406	143,000	367,084

20 Creditors: amounts falling due within one year

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Trade creditors	408,167	383,203	-	-
Other loans	80,000	81,001	80,000	80,000
Due to group undertakings	-	-	422,765	189,071
Other taxation and social security	18,464	5,302	10,049	5,301
Other creditors	12,796	19,797	7,832	19,597
Accruals	234,410	245,176	24,678	9,632
Deferred income	367,227	351,593	-	-
	1,121,064	1,086,072	545,324	303,601

21 Creditors: amounts falling due after one year

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Other loans	113,334	193,333	113,334	193,333
Deferred income	2,881,325	2,907,135	2,881,325	2,907,135
	2,994,659	3,100,468	2,994,659	3,100,468

22 Provisions

Group and Charity

	Provision	Total
	£	£
At 1 January 2023	460,000	460,000

The provision relates to ongoing maintenance commitments at the year end.

23 Pension and other schemes

Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £32,240 (2022 - £51,725).

24 Funds

Group

	Balance at 1 January 2023 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 December 2023 £
Unrestricted funds					
General					
General Funds	1,080,830	5,532,047	(5,892,609)	7,000	727,268
Designated					
Locomotive refurbishment reserve	150,000	-	-	(7,000)	143,000
Total unrestricted funds	1,230,830	5,532,047	(5,892,609)	-	870,268
Restricted funds					
Education	54,177	-	(4,188)	-	49,989
Restoration and repair	13,031	6,320	(7,020)	-	12,331
Aquisition of rolling stock	105,968	-	(10,404)	-	95,564
	173,176	6,320	(21,612)	-	157,884
Total funds	1,404,006	5,538,367	(5,914,221)	-	1,028,152

Charity

	Balance at 1 January 2023 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 December 2023 £
Unrestricted funds					
General					
General Funds	950,756	1,921,480	(2,272,348)	7,000	606,888
Designated					
Locomotive refurbishment reserve	150,000	-	-	(7,000)	143,000
Total unrestricted funds	1,100,756	1,921,480	(2,272,348)	-	749,888
Restricted funds					
Education	54,177	-	(4,188)	-	49,989
Restoration and repair	13,031	6,320	(7,020)	-	12,331
Aquisition of rolling stock	105,968	-	(10,404)	-	95,564
	173,176	6,320	(21,612)	-	157,884
Total funds	1,273,932	1,927,800	(2,293,960)	-	907,772

25 Analysis of net assets between funds

Group

	Unrestricted funds		Restricted funds	Total funds at 31 December 2023
	General	Designated		
	£	£	£	£
Tangible fixed assets	4,683,721	-	145,553	4,829,274
Current assets	619,270	143,000	12,331	774,601
Current liabilities	(1,121,064)	-	-	(1,121,064)
Creditors over 1 year	(2,994,659)	-	-	(2,994,659)
Provisions	(460,000)	-	-	(460,000)
Total net assets	727,268	143,000	157,884	1,028,152

	Unrestricted funds		Restricted funds	Total funds at 31 December 2022
	General	Designated		
	£	£	£	£
Tangible fixed assets	4,671,882	-	160,145	4,832,027
Current assets	1,055,488	150,000	13,032	1,218,520
Current liabilities	(1,086,072)	-	-	(1,086,072)
Creditors over 1 year	(3,100,468)	-	-	(3,100,468)
Provisions	(460,000)	-	-	(460,000)
Total net assets	1,080,830	150,000	173,177	1,404,007

Charity

	Unrestricted funds		Restricted funds	Total funds at 31 December 2023
	General	Designated		
	£	£	£	£
Tangible fixed assets	4,537,910	-	145,553	4,683,463
Fixed asset investments	1	-	-	1
Current assets	68,960	143,000	12,331	224,291
Current liabilities	(545,324)	-	-	(545,324)
Creditors over 1 year	(2,994,659)	-	-	(2,994,659)
Provisions	(460,000)	-	-	(460,000)
Total net assets	606,888	143,000	157,884	907,772

	Unrestricted funds		Restricted	Total funds at 31 December
	General	Designated	funds	2022
	£	£	£	£
Tangible fixed assets	4,522,041	-	160,145	4,682,186
Fixed asset investments	1	-	-	1
Current assets	292,784	150,000	13,032	455,816
Current liabilities	(303,601)	-	-	(303,601)
Creditors over 1 year	(3,100,468)	-	-	(3,100,468)
Provisions	(460,000)	-	-	(460,000)
Total net assets	950,757	150,000	173,177	1,273,934

26 Analysis of net funds

Group

	At 1 January 2023	At 31 December 2023
	£	£
Cash at bank and in hand	781,406	781,406
Net debt	781,406	781,406

	At 1 January 2022	At 31 December 2022
	£	£
Cash at bank and in hand	1,135,357	1,135,357
Net debt	1,135,357	1,135,357

27 Related party transactions

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

East Lancashire Railway Holdings Limited
The company is a related party by virtue of having common directors.
East Lancashire Railway Holdings Limited is an incorporated charity with similar objects to East Lancashire Light Railway Company Limited. Donation to East Lancashire Railway Holdings Limited are remitted to East Lancashire Light Railway Company Limited. East Lancashire Railway Holdings Limited is administered by the office staff of East Lancashire Light Railway Company Limited. At the balance sheet date the amount due from East Lancashire Railway Holdings Limited was £17,725 (2022 - £16,110).

EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED

England & Wales - Charity number 1186648

Accounts

Company registration number: 2023981

Charity registration number: 1186648

EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED
(A COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2022

EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED

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EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED

REFERENCE AND ADMINISTRATIVE DETAILS

Chairman	M W Kelly
Trustees	M W Kelly R G Chapman C R Law D S Layland S M Lea A Lee C Phillips G S Thornton K A Whitmore
Charity Registration Number	1186648
Company Registration Number	2023981
	The charity is incorporated in England and Wales.
Registered Office	Bolton Street Station Bury Lancashire BL9 0EY
Auditor	Horsfield & Smith Tower House 269 Walmersley Road Bury Lancashire BL9 6NX

EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED

TRUSTEES REPORT

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 December 2022.

Trustees and Officers

The trustees and officers serving during the year and since the year end were as follows:

Trustees:	M W Kelly
	G T Berry (appointed 25 February 2022 and resigned 12 September 2022)
	M Britten (resigned 6 October 2022)
	R G Chapman
	C E Jones (resigned 21 April 2022)
	C R Law
	D S Layland
	S M Lea
	A Lee
	C Phillips
	G Thomas (resigned 23 February 2023)
	G S Thornton
	K A Whitmore (appointed 27 May 2022)
	D Wilson (resigned 10 January 2022)
Chairman:	M W Kelly

Objectives and activities

Objects and aims

The object of the charity is to advance education for the benefit of the public in the history, construction, engineering and operation of the East Lancashire Railway by:

a) The acquisition, restoration, preservation and operation of heritage railway locomotives, carriages, wagons, station buildings, track between Rawtenstall and Heywood and other associated heritage infrastructure; and

b) The establishment and maintenance of a museum.

Public benefit

The Charity aims to educate visitors to the heritage East Lancashire Railway about the different eras and activities in the history of the railways.

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Use of volunteers

The charity and its subsidiary trading company would not be able to provide the services they do without the dedicated volunteers who give their time to the Railway. The companies are committed to the development of volunteers and improving volunteer recruitment, key base skills training and departmental placement sympathetic to specific departmental requirements.

Structure, governance and management

Nature of governing document

The organisation is a charitable company.

The company was incorporated on 29 May 1986 and is limited by guarantee. In the event being wound up each member is required to contribute an amount not exceeding ten pounds.

The company was established under a memorandum of association which established the objects and powers and is governed under its articles of association (last updated November 2019).

Organisational structure

The company operated as a trading company up to December 2019. On 1 January 2020 the company was granted charitable status and the trading activities were passed to a new wholly owned trading subsidiary company East Lancashire Railway Limited.

Recruitment and appointment of trustees

Trustees are appointed by ordinary resolution at a general meeting. There is no maximum number of trustees, the minimum is four. One third are required to retire by rotation at the annual general meeting of the charity. Where the trustees appoint a person who is willing to act as a trustee either to fill a vacancy or as an additional trustee that person must retire and may offer themselves for re-election at the next annual general meeting.

A person may not serve as a trustee unless they are a member of the charity. A person ceasing to be a member shall automatically cease to be a trustee.

Achievements and performance

For the charity and it's trading subsidiary 2022 began as a very promising year as we all continued to get back to normal following the Covid-19 pandemic. 95% of the tickets for "kids adventure days" over Easter were sold, Sale for Thomas the Tank Engine weekends were strong and additional events planned for the Jubilee.

The Flying Scotsman returned to the loco works for mid-life overhaul and repaint. A television documentary about the restoration works on the famous engine provided publicity for the Railway. Scotsman has returned again since the year end boosting revenue for the trading company in March 2023.

In May the Trackside pub on the Bolton Street station platform was closed for refurbishment. The look and feel of the pub has been refreshed, with investment in a kitchen refurbishment. Food was available every day at lunchtimes and teatime. To reduce overheads, since the year end, it has been decided to close the kitchen at the beginning of the week except in the case of prebooked functions.

In June 2022 the Bury Transport Museum reopened with the arrival of the Union of South Africa on display which boosted the museum takings over the summer. Union of South Africa has now been returned to its permanent home in Fife, Scotland.

However external economic factors made 2022 a challenging year too. The war in Ukraine meant coal imports from Russia ceased. The cost of coal soared and in March the Railway had to revise its timetable to minimise the use of the depleted coal stocks. Rising oil prices meant that the price of diesel was also running at an all time high. The rising fuel costs led to the cost of living squeeze that was being felt towards the end of the year with reduced passenger numbers. Sales for promoted events however remained strong and the revenue from Santa exceeded 2021. Customer surveys returned positive feedback for both the Santa and Halloween events.

The railway was nominated for and won a number of awards:

- Heritage Railway Association, the ELR won the national award for the redesign of the Company's web site.
- The ELR Santa Specials event has been shortlisted in the Marketing Lancashire Awards.
- The Trackside won the CAMRA award for best pub in Bury.
- Dining with Distinction, Trip Advisor - Travellers Choice 2022.
- DMU 50455-Won the 2022 Railcar Award.
- Shortlisted in Steam Railway Magazine for rapid restoration and involvement in L&Y centenary celebrations.

As always much of this work has only been possible because of the dedicated support of the volunteers and the Board are thankful to them for the time they give to the Railway. No member of staff, or volunteer comes to the railway and expects recognition for their time and skills, but it's always nice to be thanked. Therefore, to recognise staff and volunteers' loyalty, commitment, and dedication in supporting the railway, the Chairman launched and paid for all the costs of a new Staff and Volunteers' Long Service Awards Scheme. Its inaugural Long Service Awards in October saw 58 staff and volunteers awarded 50, 40, & 30 year plaques and over 250 volunteers receiving long service badges. Some volunteers with over 50 years' service go back to the late 60's, along with many others no longer with us, who rescued the railway from disappearing, so future generations could enjoy it as a 'living history'.

Financial review

Policy on reserves

So far as practicable the Trustees intend to reinvest surpluses in projects which will advance the charitable objects.

Investment policy and objectives

Under the Memorandum and Articles of association, the charity has the power to make any investment the Trustees consider will further the objects of the charity.

Currently neither the charity nor its trading subsidiary have excess funds available to invest. When such funds become available the Trustees feel that short term readily available products would be most suited to meet uncertain short term demands.

Plans for future periods

The ELR Board have made provision in 2021 for the ongoing restoration of the CRAB locomotive. At the moment the fund is not sufficient to complete these works. The planned overhaul of this engine has been put on hold for the time being whilst the directors consider the best use of the funds available.

The Board has also decided to create a designated locomotive refurbishment reserve for the refurbishment of locomotives when their tickets expire. Funds have been set aside to cover these future costs which will be added to cover the life cycle (10 years) of the existing tickets. This will improve the continuity of running in the future.

On 22nd February 2022, the Bury Planning Committee unanimously approved plans for the ambitious and groundbreaking re-development at Buckley Wells. This multi-million pound project will take several years to complete and is to be progressed in stages.

There is a comprehensive programme for restoration and repair of the Grade II Listed workshops shed dating from 1857. The building will continue to be used for the restoration and repair of locomotives including workshops and stores. A public viewing gallery will enable visitors to the Railway to observe the works in operation. An extension on the footprint of the former shed (demolished in the 1970's) will provide new offices, welfare and training facilities to support engineering training and development skills for future generations of engineers.

The erection of a new carriage shed will house, restore and repair the fleet of historic railway coaches. The new facility will be vital for the protection of coaches from the elements and vandalism. This should extend the maintenance cycle to approximately 12-15 as opposed to the current 7 years. Eco friendly and sustainable add-ons being considered for this phase of development include installing solar panels to reduce the energy costs and harvesting rain water to provide water for the steam locomotives.

Within the site a new access road and new track will be reconfigured and re-laid to ensure access to new facilities and the safe movement of traction and rolling stock around the site.
It's also proposed to expand the operational capacity of the site with new areas for external storage facilities for fuel and with ambitions to install a traction and rolling stock turntable.

Going concern

The Company is dependent on a related entity being able to meet its obligations in respect of the maintenance of key structures along the route of the railway. The impact of any restrictions in the use of the structures would be significant on the operations of the company. The directors have considered the most recent report to the Board of the related entity, in which there are detailed realistic plans covering the foreseeable future that indicate that the obligations can be met, and the schedule of planned maintenance work confirms this position.

The directors are concerned by the ongoing economic pressures. The cost of living crisis is impacting on the public donations and income available from the trading company. In order to complete the ambitious plans for the future funding sources need to be identified.

Forecasts have been prepared covering the period to December 2024 and these have been subjected to sensitivity analysis. The Directors recognise that, in preparing the forecasts, there is an inherent risk that the plans may not be achieved. Despite this risk, the Directors believe that the Railway has secured sufficient financial reserves to enable it to continue as a going concern.

Relationships with related parties

East Lancashire Railway Holdings Limited

The charity is under the control of a charitable holding company East Lancashire Railway Holdings Limited. As part of the re-structuring of the Railway it is the intention that East Lancashire Railway Holdings Limited will be closed and its charitable objects carried on by East Lancashire Light Railway Company Limited. On 1 January 2020 the benefit of the funds in East Lancashire Railway Holdings Limited was passed to the charity. Since then any donations received by East Lancashire Railway Holdings Limited have been remitted to East Lancashire Light Railway Limited.

Financial instruments

Objectives and policies

The group's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the group's policies approved by the board of trustees, which provide written principles on the use of financial derivatives to manage these risks. The group does not use derivative financial instruments for speculative purposes.

Cash flow risk

The Charity relies on public donations to enable it to provide funds for the projects currently being financed. Cashflow can be very much affected by the willingness and ability of the general public to make donations.

Credit risk

The Charity's principal financial assets are bank balances and cash, and other receivables.
The charity's primary credit risk is attributable to its receivables from the East Lancashire Railway Limited. An allowance for impairment is made where there is an identifiable loss as a result of a going concern risk in that company that would evidence a reduction in the recoverability.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the group uses a mixture of long-term and short-term debt finance.
Further details regarding liquidity risk can be found in the Statement of accounting policies in the financial statements.

Statement of Responsibilities

The trustees (who are also the directors of East Lancashire Light Railway Company Limited 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 (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the trustees to prepare financial statements for each financial year. Under company law 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 parent charitable company and the group and of the incoming resources and application of resources, including its income and expenditure, of the charitable group 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 parent charitable company will continue in business.

TRUSTEES REPORT

The trustees are responsible for keeping proper accounting records that can disclose with reasonable accuracy at any time the financial position of the parent charitable company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the parent charitable company and the group 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 charitable company's website. Legislation governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to auditor

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Reappointment of auditor

The auditors Horsfield & Smith are deemed to be reappointed under section 487(2) of the Companies Act 2006.

The annual report was approved by the trustees of the charity on 26 October 2023 and signed on its behalf by:

.....

M W Kelly
Chairman and Trustee

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED

Opinion

We have audited the financial statements of East Lancashire Light Railway Company Limited (the 'charitable parent company') and its subsidiaries (the 'group') for the year ended 31 December 2022, which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Cash Flows and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice) and applicable law.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as at 31 December 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees Report.

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

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

Responsibilities of trustees

As explained more fully in the Statement of Responsibilities (set out on page 7), the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We considered the nature of the industry and its control environment and reviewed the documentation of the charity's policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the charity and trading subsidiary operate in and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, Charities Act, and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the ability to operate or to avoid a material penalty. These included the line operating licence.

We ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- agreeing financial statement disclosures to supporting documentation;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and

- reading minutes of meetings of those charged with governance.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the FRC's website at:
https://www.frc.org.uk/auditors/audit-assurance/auditorsresponsibilities
This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable parent company's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the group's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable parent company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

.....
P G Nicol (Senior Statutory Auditor)
For and on behalf of Horsfield & Smith, Statutory Auditor

Tower House
269 Walmersley Road
Bury
Lancashire
BL9 6NX

26 October 2023

EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2022 (INCLUDING CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES)

	Note	Unrestricted funds Designated £	Unrestricted funds General £	Restricted funds £	Total 2022 £
Income and Endowments from:					
Donations and legacies	3	-	353,846	7,577	361,423
Charitable activities	4	-	46,369	-	46,369
Investment income	5	-	805	-	805
Other income	6	-	4,721,666	-	4,721,666
Total Income		-	5,122,686	7,577	5,130,263
Expenditure on:					
Raising funds	7	-	(4,365,222)	-	(4,365,222)
Charitable activities	8	-	(750,584)	(14,592)	(765,176)
Other expenditure	9	-	(115,363)	-	(115,363)
Total Expenditure		-	(5,231,169)	(14,592)	(5,245,761)
Net expenditure		-	(108,483)	(7,015)	(115,498)
Net movement in funds		-	(108,483)	(7,015)	(115,498)
Reconciliation of funds					
Total funds brought forward		150,000	1,189,314	180,191	1,519,505
Total funds carried forward	24	150,000	1,080,831	173,176	1,404,007

EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2022 (INCLUDING CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES)

	Note	Unrestricted funds Designated £	Unrestricted funds General £	Restricted funds £	Total 2021 £
Income and Endowments from:					
Donations and legacies	3	-	951,163	5,454	956,617
Charitable activities	4	-	11,600	-	11,600
Investment income	5	-	16	-	16
Other income	6	-	3,604,350	-	3,604,350
Total Income		-	4,567,129	5,454	4,572,583
Expenditure on:					
Raising funds	7	-	(2,785,535)	-	(2,785,535)
Charitable activities	8	-	(1,076,820)	(14,592)	(1,091,412)
Other expenditure	9	-	(141,610)	-	(141,610)
Total Expenditure		-	(4,003,965)	(14,592)	(4,018,557)
Net income/(expenditure)		-	563,164	(9,138)	554,026
Transfers between funds		150,000	(150,000)	-	-
Net movement in funds		150,000	413,164	(9,138)	554,026
Reconciliation of funds					
Total funds brought forward		-	776,151	189,329	965,480
Total funds carried forward	24	150,000	1,189,315	180,191	1,519,506

All of the group's activities derive from continuing operations during the above two periods.

The funds breakdown is shown in note 24.

EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED

(REGISTRATION NUMBER: 2023981)
CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	15	4,832,027	4,763,860
Current assets			
Stocks	17	130,239	132,024
Debtors	18	306,875	271,686
Cash at bank and in hand	19	781,406	1,135,357
		1,218,520	1,539,067
Creditors: Amounts falling due within one year	20	(1,086,072)	(1,067,953)
Net current assets		132,448	471,114
Total assets less current liabilities		4,964,475	5,234,974
Creditors: Amounts falling due after more than one year	21	(3,100,468)	(3,255,468)
Provisions	22	(460,000)	(460,000)
Net assets		1,404,007	1,519,506
Funds of the group:			
Restricted income funds			
Restricted funds		173,176	180,191
Unrestricted income funds			
Designated Funds		150,000	150,000
General Funds		1,080,831	1,189,315
Total unrestricted funds		1,230,831	1,339,315
Total funds	24	1,404,007	1,519,506

The financial statements on pages 13 to 38 were approved by the trustees, and authorised for issue on 26 October 2023 and signed on their behalf by:

M W Kelly
Chairman and Trustee

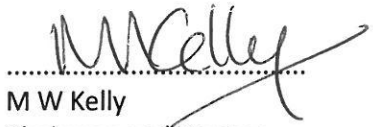
D S Layland
Trustee

EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED

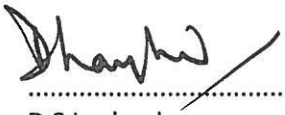
(REGISTRATION NUMBER: 2023981)
BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	15	4,682,186	4,719,343
Investments		1	1
		4,682,187	4,719,344
Current assets			
Debtors	18	88,732	77,955
Cash at bank and in hand	19	367,084	802,333
		455,816	880,288
Creditors: Amounts falling due within one year	20	(303,601)	(359,048)
Net current assets		152,215	521,240
Total assets less current liabilities		4,834,402	5,240,584
Creditors: Amounts falling due after more than one year	21	(3,100,468)	(3,255,468)
Provisions	22	(460,000)	(460,000)
Net assets		1,273,934	1,525,116
Funds of the charity:			
Restricted income funds			
Restricted funds		173,176	180,191
Unrestricted income funds			
Designated Funds		150,000	150,000
General Funds		950,758	1,194,925
Total unrestricted funds		1,100,758	1,344,925
Total funds	24	1,273,934	1,525,116

The financial statements on pages 13 to 38 were approved by the trustees, and authorised for issue on 26 October 2023 and signed on their behalf by:



M W Kelly
Chairman and Trustee



D S Layland
Trustee

EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash (expenditure)/income		(115,498)	554,026
Adjustments to cash flows from non-cash items			
Depreciation	15	233,630	220,809
Investment income	5	(805)	(16)
(Profit)/loss on disposal of tangible fixed assets		(42)	1,703
		117,285	776,522
Working capital adjustments			
Decrease/(increase) in stocks	17	1,785	(32,302)
(Increase)/decrease in debtors	18	(35,189)	342,271
Increase/(decrease) in creditors	20, 21	2,047	(41,016)
Increase in provisions	22	-	460,000
Decrease in deferred income	21	(58,475)	(283,589)
Net cash flows from operating activities		27,453	1,221,886
Cash flows from investing activities			
Interest receivable and similar income	5	805	16
Purchase of tangible fixed assets	15	(301,797)	(72,282)
Sale of tangible fixed assets		41	585
Net cash flows from investing activities		(300,951)	(71,681)
Cash flows from financing activities			
Repayment of loans and borrowings	20, 21	(80,453)	(264,953)
Net (decrease)/increase in cash and cash equivalents		(353,951)	885,252
Cash and cash equivalents at 1 January		1,135,357	250,105
Cash and cash equivalents at 31 December		781,406	1,135,357

All of the cash flows are derived from continuing operations during the above two periods.

1 Charity status

The charity is limited by guarantee, incorporated in England and Wales, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £10 towards the assets of the charity in the event of liquidation.

The address of its registered office is:
Bolton Street Station
Bury
Lancashire
BL9 0EY

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) issued in October 2019 , the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also comply with the Companies Act 2006 and Charities Act 2011.

Basis of preparation

East Lancashire Light Railway Company Limited 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 presented in £ sterling.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the charity and its subsidiary undertakings drawn up to 31 December 2022.

No statement of financial activities is presented for the charity as permitted by section 408 of the Companies Act 2006. The charity made a loss after tax for the financial year of £251,182 (2021 - loss of £15,584).

The subsidiary East Lancashire Railway Limited (company number 12381729) is a wholly owned trading company. The trading activities of East Lancashire Light Railway Company Limited were transferred to the subsidiary on 1 January 2020.

The accounting policies of subsidiary are consistent with the policies adopted by the group.

Going concern

The directors' concerns are in respect of the ability of a related entity to meet its obligations to maintain the railway structures. Detailed reports submitted to the Board of that entity have been considered, which indicate over a three year period, the obligations should be met.

Ongoing economic pressures have also been considered by the Board of this company, and forecasts have been prepared covering the period to December 2024 which have been subjected to sensitivity analysis. The Directors recognise that, in preparing the forecasts, there is an inherent risk that the plans may not be achieved. Despite this risk, the Directors believe that the Railway has secured sufficient financial reserves to enable it to continue as a going concern.

Income and endowments

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity 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 these conditions will be fulfilled in the reporting period.

Legacy gifts are recognised on a case by case basis following the grant 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 reliably measurable with a degree of reasonable accuracy and the title to the asset having been transferred to the charity.

Grants receivable

Grants are recognised when the group has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Deferred income

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which, it has been received. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

Investment income

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

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.

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

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.

Repairs and maintenance

The day to day maintenance and operational repairs are charged to trading activities and undertaken by the trading subsidiary. Major refurbishment and cyclical overhaul to maintain the heritage assets is treated as a charitable activity and is undertaken by the charity.

Governance costs

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

Grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable.

Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised.

Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

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 charitable company 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

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

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
Museum	20 to 50 years straight line
Infrastructure and buildings	20 to 50 years straight line
Office fixtures and equipment	5 to10 years straight line
Rolling Stock	10 to 50 years straight line
Plant and machinery	10 to 50 years straight line

Business combinations

Business combinations are accounted for under the purchase method. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the group. All intra-group transactions, balances, income and expenses are eliminated on consolidation. In accordance with Section 35 of FRS 102, Section 19 of FRS 102 has not been applied in these financial statements in respect of business combinations effected prior to the date of transition.

Stock

Stock is valued at the lower of cost and estimated selling price less costs to complete and sell, after due regard for obsolete and slow moving stocks. Cost is determined using the first-in, first-out (FIFO) basis.

Trade debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

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.

Trade creditors

Creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Deferred income

Deferred income are monies taken in advance for bookings yet to take place. Once the events have taken place the income is transferred to the profit and loss account.

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.

Provisions

Provisions are recognised when the charity has an obligation at the reporting date as a result of a past event, it is probable that the charity will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Fund structure

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

Designated funds are unrestricted funds set aside for specific purposes at the discretion of the trustees.

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 are recognised when the charity becomes a party to the contractual provisions of the instrument.

Basic financial assets and liabilities are initially measured at transaction price, unless the arrangement constitutes a financing transaction.

If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future cashflows discounted at a market rate of interest. Such instruments are subsequently measured at amortised cost using the effective interest method.

Other financial assets and liabilities that are not basic financial instruments are initially measured at fair value, which is normally the transaction price. Such instruments are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except where the fair values cannot be measured reliably the instrument is measured at cost less impairment.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Investments

Investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

3 Income from donations and legacies

	Unrestricted funds General £	Restricted funds £	Total 2022 £	Total 2021 £
Donations and legacies;				
Donations from companies, trusts and similar proceeds	628	7,577	8,205	13,545
Donations from individuals	108,264	-	108,264	96,384
Legacies	6,000	-	6,000	66,483
Grants, including capital grants;				
Government grants	238,954	-	238,954	780,205
	353,846	7,577	361,423	956,617

4 Income from charitable activities

	Unrestricted funds General £	Total 2022 £	Total 2021 £
Education	46,369	46,369	11,600

5 Investment income

	Unrestricted funds General £	Total 2022 £	Total 2021 £
Interest receivable and similar income;			
Interest receivable on bank deposits	805	805	16

6 Other income

	Unrestricted funds General £	Total 2022 £	Total 2021 £
Pub sales	841,611	841,611	473,224
Refreshments and catering	1,235,432	1,235,432	758,144
Shops and stalls	63,898	63,898	68,831
Fares and charters	1,198,052	1,198,052	844,956
Santa events	1,099,777	1,099,777	968,926
Footplate experience	7,033	7,033	1,117
Other rolling stock income	125,400	125,400	50,749
Miscellaneous income	92,550	92,550	126,239
Hire of locomotives	14,700	14,700	600
Other income	-	-	100,000
Rental income	43,213	43,213	29,233
Furlough income	-	-	182,331
	4,721,666	4,721,666	3,604,350

7 Expenditure on raising funds

a) Costs of generating donations and legacies

Note	Unrestricted funds General £	Total 2022 £	Total 2021 £
Wages - generating funds	58,994	58,994	45,427
Computer software and maintenance costs	111	111	3,423
Printing, postage and stationery	153	153	1,116
Trade subscriptions	3,579	3,579	2,582
	62,837	62,837	52,548

b) Costs of trading activities

	Unrestricted funds General	Total 2022	Total 2021
	£	£	£
Opening stock	132,024	132,024	99,722
Materials	387,122	387,122	192,711
Pub purchases	413,902	413,902	231,405
Refreshments and catering	496,800	496,800	325,925
Shops and stalls	46,747	46,747	38,537
Special events	471,615	471,615	213,160
Closing stock	(130,238)	(130,238)	(132,024)
Wages and salaries	1,005,147	1,005,147	828,157
Commissions payable	143,997	143,997	80,310
Miscellaneous direct costs	-	-	8,664
Line operating charges	210,416	210,416	214,678
Rent and rates	35,587	35,587	50,512
Light, heat and power	139,639	139,639	93,746
Repairs and maintenance	331,920	331,920	187,888
Insurance	22,690	22,690	-
Telephone and fax	13,608	13,608	14,075
Computer software and maintenance costs	90,247	90,247	36,339
Printing, postage and stationery	14,134	14,134	9,152
Courier services	35,912	35,912	3,233
Trade subscriptions	8,263	8,263	7,438
Equipment hire	11,496	11,496	14,907
Lease of motor vehicles (Operating leases)	3,208	3,208	2,021
Sundry expenses	8,946	8,946	3,523
Laundry and cleaning	68,461	68,461	34,016
Health and saftey	50,163	50,163	24,929
Travel and subsistence	36,065	36,065	17,871
Promotional expenses	139,291	139,291	86,799
Legal and professional fees	72,804	72,804	11,622
Bad debts written off	9,229	9,229	20,991
Bank charges	33,190	33,190	12,680
	4,302,385	4,302,385	2,732,987

8 Expenditure on charitable activities

	Note	Unrestricted funds General £	Restricted funds £	Total 2022 £	Total 2021 £
Education		7,720	-	7,720	-
Restoration and repair		478,291	-	478,291	712,440
Depreciation, amortisation and other similar costs		218,996	14,592	233,588	219,105
Staff costs		32,383	-	32,383	141,933
Governance costs	10	13,194	-	13,194	17,934
		750,584	14,592	765,176	1,091,412

In addition to the expenditure analysed above, there are also governance costs of £13,194 (2021 - £17,934) which relate directly to charitable activities. See note 10 for further details.

9 Other expenditure

	Note	Unrestricted funds General £	Total 2022 £	Total 2021 £
Ground rent Castlecroft		104	104	-
Insurance		79,794	79,794	62,414
Security costs		3,557	3,557	49,652
Sundry expenses		1,522	1,522	-
Promotion and marketing BTM		4,185	4,185	-
Legal and professional fees		8,989	8,989	5,945
Bank charges		-	-	4,257
Bank interest payable		394	394	253
Bank loan interest payable		16,818	16,818	19,089
		115,363	115,363	141,610

10 Analysis of governance and support costs

Governance costs

	Unrestricted funds General £	Total 2022 £	Total 2021 £
Audit fees			
Audit of the financial statements	10,344	10,344	11,130
Other fees paid to auditors	2,850	2,850	6,804
	13,194	13,194	17,934

11 Net incoming/outgoing resources

Net outgoing resources for the year include:

	2022 £	2021 £
Audit fees	10,344	11,130
(Profit)/loss on disposal of tangible fixed assets	(42)	1,703
Depreciation of fixed assets	233,630	220,808

12 Staff costs

The aggregate payroll costs were as follows:

	2022 £	2021 £
Staff costs during the year were:		
Wages and salaries	1,417,682	1,156,892
Social security costs	110,671	88,601
Pension costs	24,504	22,464
Other staff costs	416	-
	1,553,273	1,267,957

The monthly average number of persons (including senior management / leadership team) employed by the group during the year expressed as full time equivalents was as follows:

	2022 No	2021 No
Administration and support	64	58

No employee received emoluments of more than £60,000 during the year.

13 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the group during the year.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

14 Taxation

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

15 Tangible fixed assets

Group	<Heritage Assets> Bury transport museum £	Infrastructure and buildings £	Rolling stock £	Fixtures and equipment £	Plant and machinery £	Total £
Cost						
At 1 January 2022	3,378,787	1,410,629	2,034,063	279,986	399,298	7,502,763
Additions	5,530	162,525	1,156	125,506	7,080	301,797
Disposals	-	(800)	-	-	-	(800)
At 31 December 2022	3,384,317	1,572,354	2,035,219	405,492	406,378	7,803,760
Depreciation						
At 1 January 2022	720,107	648,554	878,413	168,973	322,856	2,738,903
Charge for the year	67,611	68,428	60,528	23,971	13,092	233,630
Eliminated on disposals	-	(800)	-	-	-	(800)
At 31 December 2022	787,718	716,182	938,941	192,944	335,948	2,971,733
Net book value						
At 31 December 2022	2,596,599	856,172	1,096,278	212,548	70,430	4,832,027
At 31 December 2021	2,658,680	762,075	1,155,650	111,013	76,442	4,763,860

Charity

	<Heritage Assets>					
	Bury transport museum £	Infrastructure and buildings £	Rolling stock £	Fixtures and equipment £	Plant and machinery £	Total £
Cost						
At 1 January 2022	3,378,787	1,410,629	2,034,063	137,106	399,298	7,359,883
Additions	5,530	162,525	1,156	6,406	7,080	182,697
Disposals	-	(800)	-	-	-	(800)
At 31 December 2022	3,384,317	1,572,354	2,035,219	143,512	406,378	7,541,780
Depreciation						
At 1 January 2022	720,107	648,554	878,413	70,610	322,856	2,640,540
Charge for the year	67,611	68,428	60,528	10,195	13,092	219,854
Eliminated on disposals	-	(800)	-	-	-	(800)
At 31 December 2022	787,718	716,182	938,941	80,805	335,948	2,859,594
Net book value						
At 31 December 2022	2,596,599	856,172	1,096,278	62,707	70,430	4,682,186
At 31 December 2021	2,658,680	762,075	1,155,650	66,496	76,442	4,719,343

16 Fixed asset investments

Charity

Shares in group undertakings and participating interests

	Subsidiary undertakings £	Total £
Cost		
Additions	1	1
At 31 December 2022	1	1
Net book value		
At 31 December 2022	1	1

Details of undertakings

Details of the investments in which the charity holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held		Principal activity
			2022	2021	
Subsidiary undertakings					
East Lancashire Railway Limited	England	Ordinary £1	100%	100%	light railway operator

17 Stock

	Group		Charity
	2022	2021	2022
	£	£	£
Stocks	130,239	132,024	-

18 Debtors

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Trade debtors	81,265	112,028	-	-
Prepayments	63,402	37,270	47,733	33,202
Other debtors	162,208	122,388	40,999	44,753
	306,875	271,686	88,732	77,955

19 Cash and cash equivalents

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Cash on hand	1,852	5,902	-	-
Cash at bank	779,554	1,129,455	367,084	802,333
	781,406	1,135,357	367,084	802,333

20 Creditors: amounts falling due within one year

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Trade creditors	383,203	444,521	-	-
Other loans	81,001	81,454	80,000	80,000
Due to group undertakings	-	-	189,071	265,131
Other taxation and social security	5,302	3,202	5,301	3,202
Other creditors	19,797	4,541	19,597	3,741
Accruals	245,176	199,167	9,632	6,974
Deferred income	351,593	335,068	-	-
	1,086,072	1,067,953	303,601	359,048

21 Creditors: amounts falling due after one year

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Other loans	193,333	273,333	193,333	273,333
Deferred income	2,907,135	2,982,135	2,907,135	2,982,135
	3,100,468	3,255,468	3,100,468	3,255,468

22 Provisions

Group and Charity

	Provision	Total
	£	£
At 1 January 2022	460,000	460,000

The provision relates to ongoing maintenance commitments at the year end.

23 Pension and other schemes

Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £32,240 (2021 - £51,725).

24 Funds

Group

	Balance at 1 January 2022 £	Incoming resources £	Resources expended £	Balance at 31 December 2022 £
Unrestricted funds				
General				
General Funds	1,189,314	5,122,686	(5,231,169)	1,080,831
Designated				
Locomotive refurbishment reserve	150,000	-	-	150,000
Total unrestricted funds	1,339,314	5,122,686	(5,231,169)	1,230,831
Restricted funds				
Education	58,365	-	(4,188)	54,177
Restoration and repair	5,454	7,577	-	13,031
Aquisition of rolling stock	116,372	-	(10,404)	105,968
	180,191	7,577	(14,592)	173,176
Total funds	1,519,505	5,130,263	(5,245,761)	1,404,007

Charity

	Balance at 1 January 2022 £	Incoming resources £	Resources expended £	Balance at 31 December 2022 £
Unrestricted funds				
General				
General Funds	1,194,925	1,677,876	(1,922,043)	950,758
Designated				
Locomotive refurbishment reserve	150,000	-	-	150,000
Total unrestricted funds	1,344,925	1,677,876	(1,922,043)	1,100,758
Restricted funds				
Education	58,365	-	(4,188)	54,177
Restoration and repair	5,454	7,577	-	13,031
Aquisition of rolling stock	116,372	-	(10,404)	105,968
	180,191	7,577	(14,592)	173,176
Total funds	1,525,116	1,685,453	(1,936,635)	1,273,934

25 Analysis of net assets between funds

Group

	Unrestricted funds		Restricted funds	Total funds at 31 December 2022
	General	Designated		
	£	£	£	£
Tangible fixed assets	4,671,882	-	160,145	4,832,027
Current assets	1,055,488	150,000	13,032	1,218,520
Current liabilities	(1,086,072)	-	-	(1,086,072)
Creditors over 1 year	(3,100,468)	-	-	(3,100,468)
Provisions	(460,000)	-	-	(460,000)
Total net assets	1,080,830	150,000	173,177	1,404,007

	Unrestricted funds		Restricted funds	Total funds at 31 December 2021
	General	Designated		
	£	£	£	£
Tangible fixed assets	4,589,123	-	174,737	4,763,860
Current assets	1,383,615	150,000	5,452	1,539,067
Current liabilities	(1,067,953)	-	-	(1,067,953)
Creditors over 1 year	(3,255,468)	-	-	(3,255,468)
Provisions	(460,000)	-	-	(460,000)
Total net assets	1,189,317	150,000	180,189	1,519,506

Charity

	Unrestricted funds		Restricted funds	Total funds at 31 December 2022
	General	Designated		
	£	£	£	£
Tangible fixed assets	4,522,041	-	160,145	4,682,186
Fixed asset investments	1	-	-	1
Current assets	292,784	150,000	13,032	455,816
Current liabilities	(303,601)	-	-	(303,601)
Creditors over 1 year	(3,100,468)	-	-	(3,100,468)
Provisions	(460,000)	-	-	(460,000)
Total net assets	950,757	150,000	173,177	1,273,934

	Unrestricted funds		Restricted funds	Total funds at 31 December 2021
	General	Designated		
	£	£	£	£
Tangible fixed assets	4,544,606	-	174,737	4,719,343
Fixed asset investments	1	-	-	1
Current assets	724,836	150,000	5,452	880,288
Current liabilities	(359,048)	-	-	(359,048)
Creditors over 1 year	(3,255,468)	-	-	(3,255,468)
Provisions	(460,000)	-	-	(460,000)
Total net assets	1,194,927	150,000	180,189	1,525,116

26 Analysis of net funds

Group

	At 1 January 2022	At 31 December 2022
	£	£
Cash at bank and in hand	1,135,357	1,135,357
Net debt	1,135,357	1,135,357

	At 1 January 2021	At 31 December 2021
	£	£
Cash at bank and in hand	250,105	250,105
Net debt	250,105	250,105

27 Related party transactions

Charity

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

East Lancashire Railway Holdings Limited

The company is a related party by virtue of having common directors.
All transactions between the companies are at arms length. At the balance sheet date the amount due from East Lancashire Railway Holdings Limited was £16,110 (2021 - £11,885).

EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED

England & Wales - Charity number 1186648

Accounts

Company registration number: 2023981

Charity registration number: 1186648

EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED
(A COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2021

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10/09/2022
#4
COMPANIES HOUSE

EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED

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EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees	M W Kelly, G T Berry M Britten R G Chapman C R Law D S Layland S M Lea A Lee C Phillips G Thomas G S Thornton K A Whitmore
Charity Registration Number	1186648
Company Registration Number	2023981
	The charity is incorporated in England and Wales.
Registered Office	Bolton Street Station Bury Lancashire BL9 0EY
Auditor	Horsfield & Smith Tower House 269 Walmersley Road Bury Lancashire BL9 6NX

EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED

TRUSTEES' REPORT

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 December 2021.

Trustees and Officers

The trustees and officers serving during the year and since the year end were as follows:

Trustees:	M W Kelly
	G T Berry (appointed 25 February 2022)
	M Britten (appointed 30 July 2021)
	R G Chapman
	C R Law
	D S Layland
	S M Lea (appointed 26 February 2021)
	A Lee
	C Phillips
	G Thomas (appointed 26 February 2021)
	G S Thornton
	K A Whitmore (appointed 27 May 2022)

The following trustees serving at the start of the year have resigned:
R Bulman - 15 March 2021; C E Jones - 21 April 2022 and D Wilson - 18 January 2022.

Objectives and activities

Objects and aims

The object of the charity is to advance education for the benefit of the public in the history, construction, engineering and operation of the East Lancashire Railway by:

a) The acquisition, restoration, preservation and operation of heritage railway locomotives, carriages, wagons, station buildings, track between Rawtenstall and Heywood and other associated heritage infrastructure; and

b) The establishment and maintenance of a museum.

Public benefit

The Charity aims to educate visitors to the heritage East Lancashire Railway about the different eras and activities in the history of the railways.

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Use of volunteers

The charity and its subsidiary trading company would not be able to provide the services they do without the dedicated volunteers who give their time to the Railway. The companies are committed to the development of volunteers and improving volunteer recruitment, key base skills training and departmental placement sympathetic to specific departmental requirements.

Structure, governance and management

Nature of governing document

The organisation is a charitable company incorporated on 29 May 1986. The company is limited by guarantee and in the event being wound up each member is required to contribute an amount not exceeding ten pounds.

The company was established under a memorandum of association which established the objects and powers of the charity and is governed under its articles of association (last updated November 2019).

Recruitment and appointment of trustees

Trustees are appointed by ordinary resolution at a general meeting. There is no maximum number of trustees, the minimum is four. One third are required to retire by rotation at the annual general meeting of the charity. Where the trustees appoint a person who is willing to act as a trustee either to fill a vacancy or as an additional trustee that person must retire and may offer themselves for re-election at the next annual general meeting.

A person may not serve as a trustee unless they are a member of the charity. A person ceasing to be a member shall automatically cease to be a trustee.

Organisational structure

The company operated as a trading company up to December 2019. On 1 January 2020 the company was granted charitable status and the trading activities were passed to a new wholly owned trading subsidiary company East Lancashire Railway Limited.

Achievements and performance

The charity and it's trading subsidiary have recovered well from the Covid-19 pandemic. Despite another lockdown at the beginning of 2021 visitor numbers recovered in the summer. The trading subsidiary had a profitable year and was able to reschedule many of the activities that had been cancelled in 2020. As a result many of vouchers being held over from 2020 were cleared.

Trackside and Bufferstops Pubs were the first parts of the business to re-open in April 2021, and initially restricted to outdoor table service. New partners were brought in to assist in developing the pub revenues.

The Railway was pleased to welcome back the Flying Scotsman '60103' in August which meant that after, three postponements, many visitors were finally able to have their day out.

The July Diesel Gala brought a welcome return of enthusiasts to the ELR, albeit under restrictions. Further well attended events took place in September (Diesel Gala), October (Steam Gala) and November (DMU) without any need for social distancing.

Days Out With Thomas required a changed format to give the best chance that the event could go ahead. and thankfully, both August and October weekends were a success.

The Halloween Ghost Trains sold out and the new 'FRIGHT' at the Museum operating on the same nights proved to be a popular event. There are plans to develop this in 2022.

The Railway has continued its extensive programme of repairs and maintenance which has included:
- ongoing "patch up" repairs to the Baron Street Loco Works;
- the creation of a new small machine shop;
- the replacement of wooden walkways in the carriage and wagon shed;
- completion of the repairs to the bridge south of Ramsbottom Station;
- ongoing signalling, trackwork and maintenance of trees and verges.

As always much of this work has only been possible because of the dedicated support of the volunteers and the Board are thankful to them for the time they give to the Railway.

Financial review

Results for the year are shown in the Consolidated Statement of Financial Activities. Thanks to strong financial management and receipt of crucial covid grants the railway returned a surplus in 2021 of £554,026.

Policy on reserves

So far as practicable the Trustees intend to reinvest surpluses in projects which will advance the charitable objects.

Investment policy and objectives

Under the Memorandum and Articles of association, the charity has the power to make any investment the Trustees consider will further the objects of the charity.

Currently neither the charity nor its trading subsidiary have excess funds available to invest. When such funds become available the Trustees feel that short term readily available products would be most suited to meet uncertain short term demands.

Plans for future periods

The ELR Board have made provisions for the ongoing restoration of the CRAB locomotive Subject to positive external factors, the directors are confident the railway will return to planned underlying profits in 2022, at which stage consideration of increased repair and improvement spend can be introduced in an annual programme.

Looking to the future, the Board has decided to create a designated locomotive refurbishment reserve for the refurbishment of locomotives when their tickets expire. Funds have been set aside to cover these future costs which will be added to over the life cycle (10 years) of the existing tickets. This will improve the continuity of running in the future.

Going concern

As the Railway recovers from the Covid-19 pandemic other economic factors remain a worry and could impact on visitor numbers. Increases in fuel prices are already having a significant effect on the cost of running the services. Forecasts have been prepared covering the period to December 2023 and these have been subjected to sensitivity analysis. The Directors recognise that, in preparing the forecasts, there is an inherent risk that the plans may not be achieved. Despite this risk, the Directors believe that the Railway has secured sufficient financial reserves to enable it to continue as a going concern.

Significant post balance sheet events

The status of coal supplies have been severely impacted by world energy prices and the situation in Ukraine.

With little UK coal available, ELR have been using Russian coal for some time but imports of Russian coal ceased in March 2022. It has been necessary to redesign the timetables, with increased use of the diesel fleet, to minimise the use of depleted coal stocks.

Suppliers of coal to the ELR are now sourcing from other countries. The ELR is also working with the Heritage Railway Association (HRA) and other heritage railways to source alternative coal supplies and trial alternative biofuels.

The Railway currently has sufficient coal stocks for the remainder of 2022.

Relationships with related parties

East Lancashire Railway Holdings Limited

The charity is under the control of a charitable holding company East Lancashire Railway Holdings Limited. As part of the re-structuring of the Railway it is the intention that East Lancashire Railway Holdings Limited will be closed and its charitable objects carried on by East Lancashire Light Railway Company Limited. On 1 January 2020 the benefit of the funds in East Lancashire Railway Holdings Limited was passed to the charity. Further donations have been received from East Lancashire Railway Holdings Limited during the year.

Financial instruments

Objectives and policies

The group's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the group's policies approved by the board of trustees, which provide written principles on the use of financial derivatives to manage these risks. The group does not use derivative financial instruments for speculative purposes.

Cash flow risk

The Charity relies on public donations to enable it to provide funds for the projects currently being financed. Cashflow can be very much affected by the willingness and ability of the general public to make donations.

Credit risk

The Charity's principal financial assets are bank balances and cash, and other receivables.
The charity's primary credit risk is attributable to its receivables from the East Lancashire Railway Limited. An allowance for impairment is made where there is an identifiable loss as a result of a going concern risk in that company that would evidence a reduction in the recoverability.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the group uses a mixture of long-term and short-term debt finance.
Further details regarding liquidity risk can be found in the Statement of accounting policies in the financial statements.

Statement of Trustees' Responsibilities

The trustees (who are also the directors of East Lancashire Light Railway Company Limited for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law 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 charitable company and of its incoming resources and application of resources, including its income and expenditure, 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 UK Accounting Standards 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 adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Reappointment of auditor

The auditors Horsfield & Smith are deemed to be reappointed under section 487(2) of the Companies Act 2006.

The annual report was approved by the trustees of the charity on 29 July 2022 and signed on its behalf by:

M W Kelly
Chairman and Trustee

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED

Opinion

We have audited the financial statements of East Lancashire Light Railway Company Limited (the 'charitable parent company') and its subsidiaries (the 'group') for the year ended 31 December 2021, which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Cash Flows and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice) and applicable law.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as at 31 December 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 6), the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We considered the nature of the industry and its control environment and reviewed the documentation of the charity's policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the charity and trading subsidiary operate in and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, Charities Act, and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the ability to operate or to avoid a material penalty. These included the line operating licence.

We ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- agreeing financial statement disclosures to supporting documentation;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and

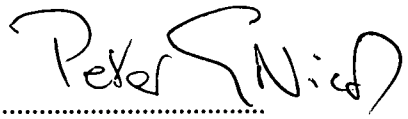
- reading minutes of meetings of those charged with governance.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the FRC's website at:
https://www.frc.org.uk/auditors/audit-assurance/auditorsresponsibilities
This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable parent company's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the group's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable parent company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.



P G Nicol (Senior Statutory Auditor)
For and on behalf of Horsfield & Smith, Statutory Auditor

Tower House
269 Walmersley Road
Bury
Lancashire
BL9 6NX

29 July 2022

EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2021 (INCLUDING CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES)

	Note	Unrestricted funds Designated £	Unrestricted funds General £	Restricted funds £	Total 2021 £
Income and Endowments from:					
Donations and legacies	3	-	951,163	5,454	956,617
Charitable activities	4	-	11,600	-	11,600
Investment income	5	-	16	-	16
Other income	6	-	3,604,350	-	3,604,350
Total Income		-	4,567,129	5,454	4,572,583
Expenditure on:					
Raising funds	7	-	(2,785,535)	-	(2,785,535)
Charitable activities	8	-	(1,076,820)	(14,592)	(1,091,412)
Other expenditure	9	-	(141,610)	-	(141,610)
Total Expenditure		-	(4,003,965)	(14,592)	(4,018,557)
Net income/(expenditure)		-	563,164	(9,138)	554,026
Transfers between funds		150,000	(150,000)	-	-
Net movement in funds		150,000	413,164	(9,138)	554,026
Reconciliation of funds					
Total funds brought forward		-	776,151	189,329	965,480
Total funds carried forward	24	150,000	1,189,315	180,191	1,519,506

EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2021 (INCLUDING CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES)

	Note	Unrestricted funds General £	Restricted funds £	Total 2020 £
Income and Endowments from:				
Donations and legacies	3	1,554,725	189,329	1,744,054
Charitable activities	4	29,600	-	29,600
Investment income	5	22	-	22
Other income	6	1,495,288	-	1,495,288
Total Income		3,079,635	189,329	3,268,964
Expenditure on:				
Raising funds	7	(1,918,659)	-	(1,918,659)
Charitable activities	8	(791,593)	-	(791,593)
Other expenditure	9	(184,847)	-	(184,847)
Total Expenditure		(2,895,099)	-	(2,895,099)
Net income		184,536	189,329	373,865
Net movement in funds		184,536	189,329	373,865
Reconciliation of funds				
Total funds brought forward		591,616	-	591,616
Total funds carried forward	24	776,152	189,329	965,481

All of the group's activities derive from continuing operations during the above two periods.

The funds breakdown for 2020 is shown in note 24.

EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED

(REGISTRATION NUMBER: 2023981)
CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	15	4,763,860	4,914,676
Current assets			
Stocks	17	132,024	99,722
Debtors	18	271,686	613,957
Cash at bank and in hand	19	1,135,357	250,105
		1,539,067	963,784
Creditors: Amounts falling due within one year	20	(1,067,953)	(1,351,715)
Net current assets/(liabilities)		471,114	(387,931)
Total assets less current liabilities		5,234,974	4,526,745
Creditors: Amounts falling due after more than one year	21	(3,255,468)	(3,561,264)
Provisions	22	(460,000)	-
Net assets		1,519,506	965,481
Funds of the group:			
Restricted income funds			
Restricted funds		180,191	189,329
Unrestricted income funds			
Designated Funds		150,000	-
General Funds		1,189,315	776,152
Total unrestricted funds		1,339,315	776,152
Total funds	24	1,519,506	965,481

The financial statements on pages 11 to 36 were approved by the trustees, and authorised for issue on 29 July 2022 and signed on their behalf by:

M W Kelly
Chairman and Trustee

D S Layland
Trustee

EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED

(REGISTRATION NUMBER: 2023981)
BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	15	4,719,343	4,880,944
Investments		1	1
		4,719,344	4,880,945
Current assets			
Debtors	18	77,955	520,106
Cash at bank and in hand	19	802,333	241,672
		880,288	761,778
Creditors: Amounts falling due within one year	20	(359,048)	(540,759)
Net current assets		521,240	221,019
Total assets less current liabilities		5,240,584	5,101,964
Creditors: Amounts falling due after more than one year	21	(3,255,468)	(3,561,264)
Provisions	22	(460,000)	-
Net assets		1,525,116	1,540,700
Funds of the charity:			
Restricted income funds			
Restricted funds		180,191	189,329
Unrestricted income funds			
Unrestricted funds		1,344,925	1,351,371
Total funds	24	1,525,116	1,540,700

The financial statements on pages 11 to 36 were approved by the trustees, and authorised for issue on 29 July 2022 and signed on their behalf by:

M W Kelly
Chairman and Trustee

D S Layland
Trustee

EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash income		554,026	373,865
Adjustments to cash flows from non-cash items			
Depreciation	7, 9	220,809	212,485
Investment income	5	(16)	(22)
Loss/(profit) on disposal of tangible fixed assets		1,703	(8,992)
		776,522	577,336
Working capital adjustments			
Increase in stocks	17	(32,302)	(26,279)
Decrease/(increase) in debtors	18	342,271	(408,750)
Decrease in creditors	20, 21	(41,016)	(585,188)
Increase in provisions	22	460,000	-
(Decrease)/increase in deferred income	21	(283,589)	125,202
Net cash flows from operating activities		1,221,886	(317,679)
Cash flows from investing activities			
Interest receivable and similar income	5	16	22
Purchase of tangible fixed assets	15	(72,282)	(44,025)
Sale of tangible fixed assets		585	9,000
Transfer of tangible assets at net book value		-	(62,553)
Net cash flows from investing activities		(71,681)	(97,556)
Cash flows from financing activities			
Repayment of loans and borrowings	20, 21	(264,953)	376,557
Net increase/(decrease) in cash and cash equivalents		885,252	(38,678)
Cash and cash equivalents at 1 January		250,105	288,783
Cash and cash equivalents at 31 December		1,135,357	250,105

All of the cash flows are derived from continuing operations during the above two periods.

1 Charity status

The charity is limited by guarantee, incorporated in England and Wales, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £10 towards the assets of the charity in the event of liquidation.

The address of its registered office is:
Bolton Street Station
Bury
Lancashire
BL9 0EY

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) issued in October 2019 , the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also comply with the Companies Act 2006 and Charities Act 2011.

Basis of preparation

East Lancashire Light Railway Company Limited 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 presented in £ sterling.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the charity and its subsidiary undertakings drawn up to 31 December 2021.

No statement of financial activities is presented for the charity as permitted by section 408 of the Companies Act 2006. The charity made a loss after tax for the financial year of £15,584 (2020 - loss of £949,084).

The subsidiary East Lancashire Railway Limited (company number 12381729) is a wholly owned trading company. The trading activities of East Lancashire Light Railway Company Limited were transferred to the subsidiary on 1 January 2020.

The accounting policies of subsidiary are consistent with the policies adopted by the group.

Going concern

As the Railway recovers from the Covid-19 pandemic other economic factors remain a worry and could impact on visitor numbers. Increases in fuel prices are already having a significant effect on the cost of running the services. Forecasts have been prepared covering the period to December 2023 and these have been subjected to sensitivity analysis. The Directors recognise that, in preparing the forecasts, there is an inherent risk that the plans may not be achieved. Despite this risk, the Directors believe that the Railway has secured sufficient financial reserves to enable it to continue as a going concern.

Income and endowments

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity 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 these conditions will be fulfilled in the reporting period.

Legacy gifts are recognised on a case by case basis following the grant 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 reliably measurable with a degree of reasonable accuracy and the title to the asset having been transferred to the charity.

Grants receivable

Grants are recognised when the group has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Deferred income

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which, it has been received. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

Investment income

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

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.

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

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.

Repairs and maintenance

The day to day maintenance and operational repairs are charged to trading activities and undertaken by the trading subsidiary. Major refurbishment and cyclical overhaul to maintain the heritage assets is treated as a charitable activity and is undertaken by the charity.

Governance costs

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

Grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable.

Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised.

Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

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 charitable company 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

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

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
Museum	20 to 50 years straight line
Infrastructure and buildings	20 to 50 years straight line
Office fixtures and equipment	5 to10 years straight line
Rolling Stock	10 to 50 years straight line
Plant and machinery	10 to 50 years straight line

Business combinations

Business combinations are accounted for under the purchase method. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the group. All intra-group transactions, balances, income and expenses are eliminated on consolidation. In accordance with Section 35 of FRS 102, Section 19 of FRS 102 has not been applied in these financial statements in respect of business combinations effected prior to the date of transition.

Stock

Stock is valued at the lower of cost and estimated selling price less costs to complete and sell, after due regard for obsolete and slow moving stocks. Cost is determined using the first-in, first-out (FIFO) basis.

Trade debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

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.

Trade creditors

Creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Deferred income

Deferred income are monies taken in advance for bookings yet to take place. Once the events have taken place the income is transferred to the profit and loss account.

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.

Provisions

Provisions are recognised when the charity has an obligation at the reporting date as a result of a past event, it is probable that the charity will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Fund structure

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

Designated funds are unrestricted funds set aside for specific purposes at the discretion of the trustees.

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 are recognised when the charity becomes a party to the contractual provisions of the instrument.

Basic financial assets and liabilities are initially measured at transaction price, unless the arrangement constitutes a financing transaction.

If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future cashflows discounted at a market rate of interest. Such instruments are subsequently measured at amortised cost using the effective interest method.

Other financial assets and liabilities that are not basic financial instruments are initially measured at fair value, which is normally the transaction price. Such instruments are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except where the fair values cannot be measured reliably the instrument is measured at cost less impairment.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Investments

Investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

3 Income from donations and legacies

	Unrestricted funds General £	Restricted funds £	Total 2021 £	Total 2020 £
Donations and legacies;				
Donations from companies, trusts and similar proceeds	8,091	5,454	13,545	870,111
Donations from individuals	96,384	-	96,384	174,632
Legacies	66,483	-	66,483	51,000
Grants, including capital grants;				
Government grants	780,205	-	780,205	648,311
	951,163	5,454	956,617	1,744,054

4 Income from charitable activities

	Unrestricted funds General £	Total 2021 £	Total 2020 £
Education	11,600	11,600	29,600

5 Investment income

	Unrestricted funds General £	Total 2021 £	Total 2020 £
Interest receivable and similar income;			
Interest receivable on bank deposits	16	16	22

6 Other income

	Unrestricted funds General	Total 2021	Total 2020
	£	£	£
Pub sales	473,224	473,224	290,991
Refreshments and catering	758,144	758,144	157,636
Shops and stalls	68,831	68,831	4,570
Fares and charters	844,956	844,956	243,762
Santa events	968,926	968,926	92,759
Footplate experience	1,117	1,117	12,112
Other rolling stock income	50,749	50,749	9,659
Miscellaneous income	126,239	126,239	136,267
Hire of locomotives	600	600	-
Other income	100,000	100,000	-
Rental income	29,233	29,233	31,093
Furlough income	182,331	182,331	516,439
	3,604,350	3,604,350	1,495,288

7 Expenditure on raising funds

a) Costs of generating donations and legacies

	Note	Unrestricted funds General	Total 2021	Total 2020
		£	£	£
Wages - generating funds		45,427	45,427	44,523
Computer software and maintenance costs		3,423	3,423	1,239
Printing, postage and stationery		1,116	1,116	675
Trade subscriptions		2,582	2,582	900
		52,548	52,548	47,337

b) Costs of trading activities

	Unrestricted funds General £	Total 2021 £	Total 2020 £
Opening stock	99,722	99,722	73,443
Materials	192,711	192,711	66,071
Pub purchases	231,405	231,405	154,712
Refreshments and catering	325,925	325,925	80,902
Shops and stalls	38,537	38,537	101,597
Special events	213,160	213,160	56,118
Footplate experience	-	-	1,099
Closing stock	(132,024)	(132,024)	(99,722)
Wages and salaries	828,157	828,157	870,056
Commissions payable	80,310	80,310	59,029
Miscellaneous direct costs	8,664	8,664	-
Line operating charges	214,678	214,678	102,989
Rent and rates	50,512	50,512	31,746
Light, heat and power	93,746	93,746	63,774
Repairs and maintenance	187,888	187,888	108,257
Telephone and fax	14,075	14,075	15,313
Computer software and maintenance costs	36,339	36,339	9,169
Printing, postage and stationery	9,152	9,152	8,684
Courier services	3,233	3,233	1,909
Trade subscriptions	7,438	7,438	2,333
Equipment hire	14,907	14,907	12,471
Lease of motor vehicles (Operating leases)	2,021	2,021	-
Sundry expenses	28,451	28,451	29,514
Laundry and cleaning	34,017	34,017	22,640
Travel and subsistence	17,871	17,871	8,266
Promotional expenses	86,799	86,799	53,891
Legal and professional fees	11,622	11,622	24,866
Bad debts written off	20,991	20,991	-
Bank charges	12,680	12,680	12,195
	2,732,987	2,732,987	1,871,322

8 Expenditure on charitable activities

	Note	Unrestricted funds General £	Restricted funds £	Total 2021 £	Total 2020 £
Education		-	-	-	31,413
Restoration and repair		712,440	-	712,440	364,706
Depreciation, amortisation and other similar costs		204,513	14,592	219,105	203,493
Staff costs		141,933	-	141,933	179,339
Governance costs	10	17,934	-	17,934	12,642
		1,076,820	14,592	1,091,412	791,593

In addition to the expenditure analysed above, there are also governance costs of £17,934 (2020 - £12,642) which relate directly to charitable activities. See note 10 for further details.

9 Other expenditure

	Note	Unrestricted funds General £	Total 2021 £	Total 2020 £
Insurance		62,414	62,414	94,838
Security costs		49,652	49,652	73,774
Sundry expenses		-	-	5,470
Legal and professional fees		5,945	5,945	-
Bank charges		4,257	4,257	-
Bank interest payable		253	253	83
Bank loan interest payable		19,089	19,089	10,682
		141,610	141,610	184,847

10 Analysis of governance and support costs

Governance costs

	Unrestricted funds General £	Total 2021 £	Total 2020 £
Audit fees			
Audit of the financial statements	11,130	11,130	9,692
Other fees paid to auditors	6,804	6,804	2,950
	17,934	17,934	12,642

11 Net incoming/outgoing resources

Net (outgoing)/incoming resources for the year include:

	2021 £	2020 £
Audit fees	11,130	9,692
Loss/(profit) on disposal of tangible fixed assets	1,703	(8,992)
Depreciation of fixed assets	220,808	212,485

12 Staff costs

The aggregate payroll costs were as follows:

	2021 £	2020 £
Staff costs during the year were:		
Wages and salaries	1,245,493	1,430,428
Pension costs	22,464	23,502
	1,267,957	1,453,930

The monthly average number of persons (including senior management / leadership team) employed by the group during the year expressed as full time equivalents was as follows:

	2021 No	2020 No
Administration and support	58	60

No employee received emoluments of more than £60,000 during the year.

13 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the group during the year.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

14 Taxation

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

15 Tangible fixed assets

Group	Bury transport museum £	Infrastructure and buildings £	Rolling stock £	Fixtures and equipment £	Plant and machinery £	Total £
Cost						
At 1 January 2021	3,374,899	1,306,761	2,035,663	324,884	396,290	7,438,497
Additions	3,888	14,985	-	46,359	7,050	72,282
Disposals	-	(2,375)	(1,600)	-	(4,042)	(8,017)
Transfers	-	91,258	-	(91,258)	-	-
At 31 December 2021	3,378,787	1,410,629	2,034,063	279,985	399,298	7,502,762
Depreciation						
At 1 January 2021	652,600	550,806	818,817	190,050	311,548	2,523,821
Charge for the year	67,507	63,339	61,196	13,417	15,350	220,809
Eliminated on disposals	-	(86)	(1,600)	-	(4,042)	(5,728)
Transfers	-	34,495	-	(34,495)	-	-
At 31 December 2021	720,107	648,554	878,413	168,972	322,856	2,738,902
Net book value						
At 31 December 2021	2,658,680	762,075	1,155,650	111,013	76,442	4,763,860
At 31 December 2020	2,722,299	755,955	1,216,846	134,834	84,742	4,914,676

Charity

	Bury transport museum £	Infrastructure and buildings £	Rolling stock £	Fixtures and equipment £	Plant and machinery £	Total £
Cost						
At 1 January 2021	3,374,899	1,306,761	2,035,663	196,788	396,290	7,310,401
Additions	3,888	14,985	-	31,575	7,050	57,498
Disposals	-	(2,375)	(1,600)	-	(4,042)	(8,017)
Transfers	-	91,258	-	(91,258)	-	-
At 31 December 2021	3,378,787	1,410,629	2,034,063	137,105	399,298	7,359,882
Depreciation						
At 1 January 2021	652,600	550,806	818,817	95,686	311,548	2,429,457
Charge for the year	67,507	63,339	61,196	9,418	15,350	216,810
Eliminated on disposals	-	(86)	(1,600)	-	(4,042)	(5,728)
Transfers	-	34,495	-	(34,495)	-	-
At 31 December 2021	720,107	648,554	878,413	70,609	322,856	2,640,539
Net book value						
At 31 December 2021	2,658,680	762,075	1,155,650	66,496	76,442	4,719,343
At 31 December 2020	2,722,299	755,955	1,216,846	101,102	84,742	4,880,944

16 Fixed asset investments

Charity

Shares in group undertakings and participating interests

	Subsidiary undertakings £	Total £
Cost		
Additions	1	1
At 31 December 2021	1	1
Net book value		
At 31 December 2021	1	1

Details of undertakings

Details of the investments in which the charity holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held 2021	2020	Principal activity
Subsidiary undertakings					
East Lancashire Railway Limited	England	Ordinary £1	100%	100%	light railway operator

Subsidiaries

The profit for the financial period of East Lancashire Railway Limited was £569,609 (2020 - loss £575,220) and the aggregate amount of capital and reserves at the end of the period was £5,610 deficit (2020 - £575,219 deficit).

17 Stock

	Group		Charity
	2021	2020	2021
	£	£	£
Stocks	132,024	99,722	-

18 Debtors

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Trade debtors	112,028	49,718	-	-
Prepayments	37,270	26	33,202	-
Other debtors	122,388	564,213	44,753	520,106
	271,686	613,957	77,955	520,106

19 Cash and cash equivalents

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Cash on hand	5,902	8,433	-	-
Cash at bank	1,129,455	241,672	802,333	241,672
	1,135,357	250,105	802,333	241,672

20 Creditors: amounts falling due within one year

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Bank loans	-	59,096	-	59,096
Trade creditors	444,521	428,146	-	-
Other loans	81,454	56,515	80,000	53,333
Due to group undertakings	-	-	265,131	379,309
Other taxation and social security	3,202	31,501	3,202	31,502
Other creditors	4,541	15,091	3,741	13,519
Accruals	199,167	217,709	6,974	4,000
Deferred income	335,068	543,657	-	-
	1,067,953	1,351,715	359,048	540,759

21 Creditors: amounts falling due after one year

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Bank loans	-	157,462	-	157,462
Other loans	273,333	346,667	273,333	346,667
Deferred income	2,982,135	3,057,135	2,982,135	3,057,135
	3,255,468	3,561,264	3,255,468	3,561,264

22 Provisions

Group and Charity

	Provision	Total
	£	£
Credited to the statement of recognised gains and losses	460,000	460,000

The provision relates to ongoing maintenance commitments at the year end.

23 Pension and other schemes

Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £32,240 (2020 - £51,725.

24 Funds

Group

	Balance at 1 January 2021 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 December 2021 £
Unrestricted funds					
General					
General Funds	776,151	4,492,129	(3,928,965)	(150,000)	1,189,315
Designated					
Locomotive refurbishment reserve	-	-	-	150,000	150,000
Total unrestricted funds	776,151	4,492,129	(3,928,965)	-	1,339,315
Restricted funds					
Education	62,553	-	(4,188)	-	58,365
Restoration and repair	-	5,454	-	-	5,454
Aquisition of rolling stock	126,776	-	(10,404)	-	116,372
	189,329	5,454	(14,592)	-	180,191
Total funds	965,480	4,497,583	(3,943,557)	-	1,519,506

Charity

	Balance at 1 January 2021 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 December 2021 £
Unrestricted funds					
General					
General Funds	1,351,371	2,007,691	(2,014,137)	(150,000)	1,194,925
Designated					
Locomotive refurbishment reserve	-	-	-	150,000	150,000
Total unrestricted funds	1,351,371	2,007,691	(2,014,137)	-	1,344,925
Restricted funds					
Education	62,553	-	(4,188)	-	58,365
Restoration and repair	-	5,454	-	-	5,454
Aquisition of rolling stock	126,776	-	(10,404)	-	116,372
	189,329	5,454	(14,592)	-	180,191
Total funds	1,540,700	2,013,145	(2,028,729)	-	1,525,116

25 Analysis of net assets between funds

Group

	Unrestricted funds		Restricted funds	Total funds at 31 December 2021
	General	Designated		
	£	£	£	£
Tangible fixed assets	4,589,123	-	174,737	4,763,860
Current assets	1,383,615	150,000	5,452	1,539,067
Current liabilities	(1,067,953)	-	-	(1,067,953)
Creditors over 1 year	(3,255,468)	-	-	(3,255,468)
Provisions	(460,000)	-	-	(460,000)
Total net assets	1,189,317	150,000	180,189	1,519,506

	Unrestricted funds General	Restricted funds	Total funds at 31 December 2020
	£	£	£
Tangible fixed assets	4,725,347	189,329	4,914,676
Current assets	963,784	-	963,784
Current liabilities	(1,351,715)	-	(1,351,715)
Creditors over 1 year	(3,561,264)	-	(3,561,264)
Total net assets	776,152	189,329	965,481

Charity

	Unrestricted funds		Restricted funds	Total funds at 31 December 2021
	General	Designated		
	£	£	£	£
Tangible fixed assets	4,544,606	-	174,737	4,719,343
Fixed asset investments	1	-	-	1
Current assets	724,836	150,000	5,452	880,288
Current liabilities	(359,048)	-	-	(359,048)
Creditors over 1 year	(3,255,468)	-	-	(3,255,468)
Provisions	(460,000)	-	-	(460,000)
Total net assets	1,194,927	150,000	180,189	1,525,116

	Unrestricted funds General	Restricted funds	Total funds at 31 December 2020
	£	£	£
Tangible fixed assets	4,691,615	189,329	4,880,944
Fixed asset investments	1	-	1
Current assets	761,778	-	761,778
Current liabilities	(540,759)	-	(540,759)
Creditors over 1 year	(3,561,264)	-	(3,561,264)
Total net assets	1,351,371	189,329	1,540,700

26 Analysis of net funds

Group

	At 1 January 2021	Financing cash flows	At 31 December 2021
	£	£	£
Cash at bank and in hand	250,105	885,252	1,135,357
Net debt	250,105	885,252	1,135,357

	At 1 January 2020	Financing cash flows	At 31 December 2020
	£	£	£
Cash at bank and in hand	288,783	(38,678)	250,105
Net debt	288,783	(38,678)	250,105

27 Related party transactions

Charity

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

East Lancashire Railway Holdings Limited

The company is a related party by virtue of having common directors.
All transactions between the companies are at arms length. At the balance sheet date the amount due from East Lancashire Railway Holdings Limited was £11,885 (2020 - £Nil).

EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED

England & Wales - Charity number 1186648

Accounts

Company registration number: 2023981

Charity registration number: 1186648

EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED
(A COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2020

EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED

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EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED

REFERENCE AND ADMINISTRATIVE DETAILS

Chairman	M W Kelly
Trustees	M Britten R G Chapman C E Jones M W Kelly C R Law D S Layland S Lea A Lee C Phillips G Thomas G S Thornton D Wilson
Principal Office	Bolton Street Station Bury Lancashire BL9 0EY
	The charity is incorporated in England and Wales.
Company Registration Number	2023981
Charity Registration Number	1186648
Auditor	Horsfield & Smith Tower House 269 Walmersley Road Bury Lancashire BL9 6NX

TRUSTEES' REPORT

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 December 2020.

Trustees

M Britten (appointed 30 July 2021)

R Bulman (resigned 15 March 2021)

R G Chapman

C E Jones

M W Kelly

C R Law

D S Layland

S Lea (appointed 26 February 2021)

A Lee

C Phillips

G Thomas (appointed 26 February 2021)

G S Thornton

D Wilson

Objectives and activities

Objects and aims

The object of the charity is to advance education for the benefit of the public in the history, construction, engineering and operation of the East Lancashire Railway by:

a) The acquisition, restoration, preservation and operation of heritage railway locomotives, carriages, wagons, station buildings, track between Rawtenstall and Heywood and other associated heritage infrastructure; and

b) The establishment and maintenance of a museum.

Public benefit

The Charity aims to educate visitors to the heritage East Lancashire Railway about the different eras and activities in the history of the railways.

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Use of volunteers

The charity and its subsidiary trading company would not be able to provide the services they do without the dedicated volunteers who give their time to the Railway. The companies are committed to the development of volunteers and improving volunteer recruitment, key base skills training and departmental placement sympathetic to specific departmental requirements.

Structure, governance and management

Nature of governing document

The organisation is a charitable company limited by guarantee, incorporated on 29 May 1986. The company is limited by guarantee and in the event being wound up each member is required to contribute an amount not exceeding ten pounds.

The company was established under a memorandum of association which established the objects and powers of the charity and is governed under its articles of association (last updated November 2019).

Recruitment and appointment of trustees

Trustees are appointed by ordinary resolution at a general meeting. There is no maximum number of trustees, the minimum is four. One third are required to retire by rotation at the annual general meeting of the charity. Where the trustees appoint a person who is willing to act as a trustee either to fill a vacancy or as an additional trustee that person must retire and may offer themselves for re-election at the next annual general meeting.

A person may not serve as a trustee unless they are a member of the charity. A person ceasing to be a member shall automatically cease to be a trustee.

Organisational structure

The company operated as a trading company up to December 2019. On 1 January 2020 the company was granted charitable status and the trading activities were passed to a new wholly owned trading subsidiary company East Lancashire Railway Limited.

Achievements and performance

The charity has had a difficult year with the Covid-19 pandemic. The trading subsidiary had to cancel many planned activities which would usually generate net income for the charity.

2020 started well for the trading subsidiary company with Union of South Africa visiting the Railway in January and a diesel gala in February followed by the spring Steam gala in March. On 20th March 2020 the Railway closed when the government announced the first Covid-19 national lockdown. The pubs were able to open on 4th July providing an outdoor service on the platforms at Bury and Rawtenstall stations. The rest of the Railway re-opened on 8th August but with a limited standard timetable service on the weekends and social distancing. The Diner services did not restart until mid September when improving public confidence made it once again viable to run these trains. Diners then ran to the end of October. The railway was also able to put on socially distanced Halloween event before the closing again for the second lockdown on 1st November. Unfortunately, the key event in the calendar for generating revenue (the Santa specials) which normally run from the end of November to Christmas Eve, had to be cancelled. The Railway was able to run Elfmas, a scaled back platform event for a limited time over the Christmas period.

The closures as a result of Covid have had a significant impact on the income generated by trading activities. This income fell from over £4M in 2019 to just under £1M in 2020. The trustees took appropriate action to revise spending plans where possible. The programme of repairs and restoration was scaled back. Many staff were put on furlough and, in a restructure necessitated by the reduced income, 14 positions were made redundant at a cost of £39K with a projected annual cost saving of £271K. Although there are some direct costs aligned to the number of visitors many more are aligned to the number of services run whether these are at full capacity or reduced by social distancing. Cleaning and additional sanitation facility cost have increased. Many indirect costs continue to be incurred whether the Railway runs or not. More security was required with less personnel being present on the premises.

An appeal was lunched to the public to help the Railway through this difficult time. This raised donations of over £200K. the charity also secured financial assistance from government grants in excess of £1.1M

Going concern

There is considerable uncertainty about the ongoing impact of Covid-19 and the extent to which visitors will return to the railway. Forecasts have been prepared covering the period to December 2022 and these have been subjected to sensitivity analysis. The charity has also secured assistance in the form of new loans. The Directors recognise that, in preparing the forecasts, there is an inherent risk that the plans may not be achieved. Despite this risk, the Directors believe that the Railway has secured sufficient financial reserves to enable it to continue as a going concern.

Relationships with related parties

East Lancashire Railway Holdings Limited

The charity is under the control of a charitable holding company East Lancashire Railway Holdings Limited. As part of the re-structuring of the Railway it is the intention that East Lancashire Railway Holdings Limited will be closed and its charitable objects carried on by East Lancashire Light Railway Company Limited. On 1 January 2020 the benefit of the funds in East Lancashire Railway Holdings Limited was passed to the charity. Further donations have been received from East Lancashire Railway Holdings Limited during the year.

Financial review

Results for the year are shown in the Consolidated Statement of Financial Activities set out on page 11. This indicates a surplus of £373,864 however, included in this is £853,505 received from East Lancashire Railway Holdings Limited. The true financial result for the year is a deficit of £479,641.

Policy on reserves

So far as practicable the Trustees intend to reinvest surpluses in projects which will advance the charitable objects.

Investment policy and objectives

Under the Memorandum and Articles of association, the charity has the power to make any investment the Trustees consider will further the objects of the charity.

Currently neither the charity nor its trading subsidiary have excess funds available to invest. When such funds become available the Trustees feel that short term readily available products would be most suited to meet uncertain short term demands.

Financial instruments

Objectives and policies

The group's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the group's policies approved by the board of trustees, which provide written principles on the use of financial derivatives to manage these risks. The group does not use derivative financial instruments for speculative purposes.

Cash flow risk

The Charity relies on public donations to enable it to provide funds for the projects currently being financed. Cashflow can be very much affected by the willingness and ability of the general public to make donations.

Credit risk

The Charity's principal financial assets are bank balances and cash, and other receivables.
The charity's primary credit risk is attributable to its receivables from the East Lancashire Railway Limited. An allowance for impairment is made where there is an identifiable loss as a result of a going concern risk in that company that would evidence a reduction in the recoverability.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the group uses a mixture of long-term and short-term debt finance.
Further details regarding liquidity risk can be found in the Statement of accounting policies in the financial statements.

Statement of Trustees' Responsibilities

The trustees (who are also the directors of East Lancashire Light Railway Company Limited for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law 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 charitable company and of its incoming resources and application of resources, including its income and expenditure, 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 UK Accounting Standards 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.

TRUSTEES' REPORT

Statement of Trustees' Responsibilities

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Reappointment of auditor

The auditors Horsfield & Smith are deemed to be reappointed under section 487(2) of the Companies Act 2006.

The annual report was approved by the trustees of the charity on 27 September 2021 and signed on its behalf by:

M W Kelly
Chairman and Trustee

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED

Opinion

We have audited the financial statements of East Lancashire Light Railway Company Limited (the 'charitable parent company') and its subsidiaries (the 'group') for the year ended 31 December 2020, which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, , Balance Sheet, Consolidated Statement of Cash Flows and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as at 31 December 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 5), the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which the audit was considered capable of detecting irregularities including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We considered the nature of the industry and its control environment, and reviewed the documentation of the charity's policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the charity and trading subsidiary operate in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, Charities Act, and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the ability to operate or to avoid a material penalty. These included the line operating licence.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- agreeing financial statement disclosures to supporting documentation;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable parent company's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the group's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable parent company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

.....

P G Nicol (Senior Statutory Auditor)
For and on behalf of Horsfield & Smith, Statutory Auditor

Tower House
269 Walmersley Road
Bury
Lancashire
BL9 6NX

27 September 2021

EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2020 (INCLUDING CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES)

	Note	Unrestricted funds £	Restricted funds £	Total 2020 £
Income and Endowments from:				
Donations and legacies	3	2,071,164	189,329	2,260,493
Charitable activities	4	29,600	-	29,600
Investment income	5	22	-	22
Other income	6	978,849	-	978,849
Total income		3,079,635	189,329	3,268,964
Expenditure on:				
Raising funds	7	(1,881,598)	-	(1,881,598)
Charitable activities	8	(1,008,031)	-	(1,008,031)
Other expenditure		(5,470)	-	(5,470)
Total expenditure		(2,895,099)	-	(2,895,099)
Net income		184,536	189,329	373,865
Net movement in funds		184,536	189,329	373,865
Reconciliation of funds				
Total funds brought forward		591,616	-	591,616
Total funds carried forward	23	776,152	189,329	965,481

EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2020 (INCLUDING CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES)

	Note	Unrestricted funds £	Total 2019 £
Income and Endowments from:			
Donations and legacies	3	292,787	292,787
Charitable activities	4	29,597	29,597
Investment income	5	17	17
Other income	6	4,104,826	4,104,826
Total income		4,427,227	4,427,227
Expenditure on:			
Raising funds	7	(3,367,583)	(3,367,583)
Charitable activities	8	(1,098,039)	(1,098,039)
Other expenditure		3,587	3,587
Total expenditure		(4,462,035)	(4,462,035)
Net expenditure		(34,808)	(34,808)
Net movement in funds		(34,808)	(34,808)
Reconciliation of funds			
Total funds brought forward		626,424	626,424
Total funds carried forward	23	591,616	591,616

All of the group's activities derive from continuing operations during the above two periods.

The funds breakdown for 2019 is shown in note 23.

EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED

(REGISTRATION NUMBER: 2023981)
CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	15	4,914,676	5,020,591
Current assets			
Stocks	17	99,722	73,443
Debtors	18	613,957	205,207
Cash at bank and in hand	19	250,105	288,783
		963,784	567,433
Creditors: Amounts falling due within one year	20	(1,351,715)	(1,681,896)
Net current liabilities		(387,931)	(1,114,463)
Total assets less current liabilities		4,526,745	3,906,128
Creditors: Amounts falling due after more than one year	21	(3,561,264)	(3,314,512)
Net assets		965,481	591,616
Funds of the group:			
Restricted income funds			
Restricted funds		189,329	-
Unrestricted income funds			
Unrestricted funds		776,152	591,616
Total funds	23	965,481	591,616

The financial statements on pages 11 to 34 were approved by the trustees, and authorised for issue on 27 September 2021 and signed on their behalf by:

.....
M W Kelly
Chairman and Trustee

.....
D S Layland
Trustee

EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED

(REGISTRATION NUMBER: 2023981)
BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	15	4,880,944	5,020,591
Investments		1	-
		4,880,945	5,020,591
Current assets			
Stocks	17	-	73,443
Debtors	18	520,106	205,207
Cash at bank and in hand	19	241,672	288,783
		761,778	567,433
Creditors: Amounts falling due within one year	20	(540,759)	(1,681,896)
Net current assets/(liabilities)		221,019	(1,114,463)
Total assets less current liabilities		5,101,964	3,906,128
Creditors: Amounts falling due after more than one year	21	(3,561,264)	(3,314,512)
Net assets		1,540,700	591,616
Funds of the charity:			
Restricted income funds			
Restricted funds		189,329	-
Unrestricted income funds			
Unrestricted funds		1,351,371	591,616
Total funds	23	1,540,700	591,616

The financial statements on pages 11 to 34 were approved by the trustees, and authorised for issue on 27 September 2021 and signed on their behalf by:

.....
M W Kelly
Chairman and Trustee

.....
D S Layland
Trustee

EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash income/(expenditure)		373,865	(34,808)
Adjustments to cash flows from non-cash items			
Depreciation	7	212,485	202,702
Investment income	5	(22)	(17)
Profit on disposal of tangible fixed assets		(8,992)	(5,691)
		577,336	162,186
Working capital adjustments			
(Increase)/decrease in stocks	17	(26,279)	21,422
Increase in debtors	18	(408,750)	(20,599)
(Decrease)/increase in creditors	20, 21	(585,188)	150,802
Increase in deferred income	21	125,202	76,898
Net cash flows from operating activities		(317,679)	390,709
Cash flows from investing activities			
Interest receivable and similar income	5	22	17
Purchase of tangible fixed assets	15	(44,025)	(215,487)
Sale of tangible fixed assets		9,000	6,000
Transfer of tangible assets at net book value		(62,553)	-
Net cash flows from investing activities		(97,556)	(209,470)
Cash flows from financing activities			
Repayment of loans and borrowings	20, 21	376,557	(84,951)
Net (decrease)/increase in cash and cash equivalents		(38,678)	96,288
Cash and cash equivalents at 1 January		288,783	192,495
Cash and cash equivalents at 31 December		250,105	288,783

All of the cash flows are derived from continuing operations during the above two periods.

1 Charity status

The charity is limited by guarantee, incorporated in England and Wales, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £10 towards the assets of the charity in the event of liquidation.

The address of its registered office is:
Bolton Street Station
Bury
Lancashire
BL9 0EY

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) issued in October 2019 , the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also comply with the Companies Act 2006 and Charities Act 2011.

Basis of preparation

East Lancashire Light Railway Company Limited 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.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the charity and its subsidiary undertakings drawn up to 31 December 2020.

No statement of financial activities is presented for the charity as permitted by section 408 of the Companies Act 2006. The charity made a loss after tax for the financial year of £949,084 (2019 - loss of £34,808).

The subsidiary East Lancashire Railway Limited is a wholly owned trading company. The trading activities of East Lancashire Light Railway Company Limited were transferred to the subsidiary on 1 January 2020.

The accounting policies of subsidiary are consistent with the policies adopted by the group.

Reclassification of comparative amounts

The profit and loss account reported in 2019 has been restated in the format of a Statement of Financial Activites. The elements of the trade carried on by the company in 2019, which are not permitted to be carried on by a charity, have been disclosed as discontinued operations. These operations are now undertaken by a subsidiary limited company.

Going concern

The Trustees have considered the impact of Covid on the ability of the charity to continue to operate. During the year, the Trustees took appropriate action to match expenditure with income. Forecasts have been prepared covering the period to December 2022, which indicate that the charity can continue to meet its charitable objects within its expected reduced income.

There is considerable uncertainty about the ongoing impact of Covid-19 and the extent to which visitors will return to the railway, and the forecasts have taken account of this. The forecasts have been subjected to sensitivity analysis, and the Trustees consider that the charity will be able to continue to operate for the foreseeable future.

The Trustees recognise that, in preparing the forecasts, there is an inherent risk that the plans may not be achieved. This risk creates a significant uncertainty around the use of the going concern basis of accounting. Despite this risk, the Trustees believe that the going concern basis is the most appropriate in the circumstances.

Income and endowments

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity 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 these conditions will be fulfilled in the reporting period.

Legacy gifts are recognised on a case by case basis following the grant 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 reliably measurable with a degree of reasonable accuracy and the title to the asset having been transferred to the charity.

Grants receivable

Grants are recognised when the group has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Deferred income

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which, it has been received. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

Investment income

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

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.

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

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 audit, strategic management and trustees's meetings and reimbursed expenses.

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

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 charitable company 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

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

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
Museum	20 to 50 years straight line
Infrastructure and buildings	20 to 50 years straight line
Office fixtures and equipment	5 to10 years straight line
Rolling Stock	10 to 50 years straight line
Plant and machinery	10 to 50 years straight line

Business combinations

Business combinations are accounted for under the purchase method. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the group. All intra-group transactions, balances, income and expenses are eliminated on consolidation. In accordance with Section 35 of FRS 102, Section 19 of FRS 102 has not been applied in these financial statements in respect of business combinations effected prior to the date of transition.

Stock

Stock is valued at the lower of cost and estimated selling price less costs to complete and sell, after due regard for obsolete and slow moving stocks. Cost is determined using the first-in, first-out (FIFO) basis.

Trade debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

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.

Trade creditors

Creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Deferred income

Deferred income are monies taken in advance for bookings yet to take place. Once the events have taken place the income is transferred to the profit and loss account.

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.

Fund structure

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

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 are recognised when the charity becomes a party to the contractual provisions of the instrument.

Basic financial assets and liabilities are initially measured at transaction price, unless the arrangement constitutes a financing transaction.

If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future cashflows discounted at a market rate of interest. Such instruments are subsequently measured at amortised cost using the effective interest method.

Other financial assets and liabilities that are not basic financial instruments are initially measured at fair value, which is normally the transaction price. Such instruments are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except where the fair values cannot be measured reliably the instrument is measured at cost less impairment.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Investments

Investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

3 Income from donations and legacies

	Unrestricted funds General £	Restricted funds £	Total 2020 £	Total 2019 £
Donations and legacies;				
Donations from companies, trusts and similar proceeds	680,782	189,329	870,111	29,773
Donations from individuals	174,632	-	174,632	53,084
Legacies	51,000	-	51,000	111,371
Grants, including capital grants;				
Government grants	1,164,750	-	1,164,750	98,559
	2,071,164	189,329	2,260,493	292,787

4 Income from charitable activities

	Unrestricted funds General £	Total 2020 £	Total 2019 £
Education	29,600	29,600	29,597

5 Investment income

	Unrestricted funds General £	Total 2020 £	Total 2019 £
Interest receivable and similar income;			
Interest receivable on bank deposits	22	22	17

6 Other income

	Unrestricted funds General £	Total 2020 £	Total 2019 £
Pub sales	290,991	290,991	828,682
Refreshments and catering	157,636	157,636	1,103,662
Shops and stalls	4,570	4,570	66,945
Fares and charters	243,762	243,762	1,003,654
Santa events	92,759	92,759	809,149
Footplate experience	12,112	12,112	96,880
Other rolling stock income	9,659	9,659	58,209
Miscellaneous income	136,267	136,267	61,904
Hire of locomotives	-	-	50,870
Rental income	31,093	31,093	24,871
	978,849	978,849	4,104,826

7 Expenditure on raising funds

a) Costs of generating donations and legacies

	Note	Unrestricted funds General £	Total 2020 £	Total 2019 £
Wages - generating funds		44,523	44,523	45,444
Computer software and maintenance costs		1,239	1,239	-
Printing, postage and stationery		675	675	-
Trade subscriptions		900	900	-
		47,337	47,337	45,444

b) Costs of trading activities

	Unrestricted funds General	Total 2020	Total 2019
	£	£	£
Opening stock	73,443	73,443	94,865
Materials	66,071	66,071	199,895
Pub purchases	154,712	154,712	463,209
Refreshments and catering	80,902	80,902	442,644
Shops and stalls	101,597	101,597	40,000
Special events	56,118	56,118	338,494
Footplate experience	1,099	1,099	12,349
Closing stock	(99,722)	(99,722)	(73,443)
Wages and salaries	870,056	870,056	898,956
Commissions payable	59,029	59,029	82,497
Line operating charges	102,989	102,989	299,346
Rent and rates	31,746	31,746	48,324
Light, heat and power	63,774	63,774	87,992
Repairs and maintenance	108,257	108,257	114,360
Telephone and fax	15,313	15,313	13,499
Computer software and maintenance costs	9,169	9,169	12,330
Printing, postage and stationery	8,684	8,684	20,038
Courier services	1,909	1,909	4,837
Trade subscriptions	2,333	2,333	4,551
Equipment hire	12,471	12,471	12,497
Sundry expenses	29,514	29,514	50,642
Laundry and cleaning	22,640	22,640	39,673
Travel and subsistence	8,266	8,266	14,148
Promotional expenses	53,891	53,891	100,436
	1,834,261	1,834,261	3,322,139

8 Expenditure on charitable activities

	Note	Unrestricted funds General £	Total 2020 £	Total 2019 £
Education		31,413	31,413	32,927
Restoration and repair		364,706	364,706	504,712
Depreciation, amortisation and other similar costs		203,493	203,493	197,011
Staff costs		179,339	179,339	153,445
Governance costs	9	229,080	229,080	209,944
		1,008,031	1,008,031	1,098,039

In addition to the expenditure analysed above, there are also governance costs of £229,080 (2019 - £209,944) which relate directly to charitable activities. See note 9 for further details.

9 Analysis of governance and support costs

Governance costs

	Unrestricted funds General £	Total 2020 £	Total 2019 £
Audit fees			
Audit of the financial statements	9,692	9,692	5,000
Other fees paid to auditors	2,950	2,950	6,350
Legal fees	24,866	24,866	17,618
Insurance	94,838	94,838	101,862
Security costs	73,774	73,774	35,495
Bank charges	12,195	12,195	24,103
Bank interest payable	83	83	475
Bank loan interest payable	10,682	10,682	19,041
	229,080	229,080	209,944

10 Net incoming/outgoing resources

Net incoming/(outgoing) resources for the year include:

	2020	2019
	£	£
Audit fees	9,692	5,000
Profit on disposal of tangible fixed assets	(8,992)	(5,691)
Depreciation of fixed assets	212,485	202,702

11 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the group during the year.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

12 Staff costs

The aggregate payroll costs were as follows:

	2020	2019
	£	£
Staff costs during the year were:		
Wages and salaries	1,402,205	1,399,825
Pension costs	51,725	72,316
	1,453,930	1,472,141

The monthly average number of persons (including senior management team) employed by the group during the year expressed as full time equivalents was as follows:

	2020	2019
	No	No
Administration and support	60	54

Contributions to the employee pension schemes for the year totalled £51,725 (2019 - £72,316).

No employee received emoluments of more than £60,000 during the year.

13 Auditors' remuneration

	2020 £	2019 £
Audit of the financial statements	9,692	5,000
Other fees to auditors		
All other non-audit services	2,950	6,350

14 Taxation

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

15 Tangible fixed assets

Group

	Bury transport museum £	Infrastructure and buildings £	Rolling stock £	Fixtures and equipment £	Plant and machinery £	Total £
Cost						
At 1 January 2020	3,374,899	1,214,685	2,016,706	309,551	396,290	7,312,131
Additions	-	8,235	20,457	15,333	-	44,025
Disposals	-	-	(1,500)	-	-	(1,500)
Transfers	-	83,841	-	-	-	83,841
At 31 December 2020	3,374,899	1,306,761	2,035,663	324,884	396,290	7,438,497
Depreciation						
At 1 January 2020	585,112	479,732	760,411	170,337	295,948	2,291,540
Charge for the year	67,488	49,786	59,898	19,713	15,600	212,485
Eliminated on disposals	-	-	(1,492)	-	-	(1,492)
Transfers	-	21,288	-	-	-	21,288
At 31 December 2020	652,600	550,806	818,817	190,050	311,548	2,523,821
Net book value						
At 31 December 2020	2,722,299	755,955	1,216,846	134,834	84,742	4,914,676
At 31 December 2019	2,789,787	734,953	1,256,295	139,214	100,342	5,020,591

Charity

	Bury transport museum £	Infrastructure and buildings £	Rolling stock £	Fixtures and equipment £	Plant and machinery £	Total £
Cost						
At 1 January 2020	3,374,899	1,214,685	2,016,706	309,551	396,290	7,312,131
Additions	-	8,235	20,457	15,333	-	44,025
Disposals	-	-	(1,500)	-	-	(1,500)
Transfers	-	83,841	-	(128,096)	-	(44,255)
At 31 December 2020	3,374,899	1,306,761	2,035,663	196,788	396,290	7,310,401
Depreciation						
At 1 January 2020	585,112	479,732	760,411	170,337	295,948	2,291,540
Charge for the year	67,488	49,786	59,898	14,445	15,600	207,217
Eliminated on disposals	-	-	(1,492)	-	-	(1,492)
Transfers	-	21,288	-	(89,096)	-	(67,808)
At 31 December 2020	652,600	550,806	818,817	95,686	311,548	2,429,457
Net book value						
At 31 December 2020	2,722,299	755,955	1,216,846	101,102	84,742	4,880,944
At 31 December 2019	2,789,787	734,953	1,256,295	139,214	100,342	5,020,591

16 Fixed asset investments

Charity

Shares in group undertakings and participating interests

	Subsidiary undertakings £	Total £
Cost		
Additions	1	1
At 31 December 2020	1	1
Net book value		
At 31 December 2020	1	1

17 Stock

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
Stocks	99,722	73,443	-	73,443

18 Debtors

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
Trade debtors	49,718	36,697	-	36,697
Prepayments	26	46,327	-	46,327
Other debtors	564,213	122,183	520,106	122,183
	613,957	205,207	520,106	205,207

19 Cash and cash equivalents

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
Cash on hand	8,433	12,720	-	12,720
Cash at bank	241,672	276,063	241,672	276,063
	250,105	288,783	241,672	288,783

20 Creditors: amounts falling due within one year

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Bank loans	59,096	57,624	59,096	57,624
Trade creditors	428,146	441,863	-	441,863
Other loans	56,515	3,182	53,333	3,182
Due to group undertakings	-	668,981	379,309	668,981
Other taxation and social security	31,501	48,010	31,502	48,010
Other creditors	15,091	11,352	13,519	11,352
Accruals	217,709	107,429	4,000	107,429
Deferred income	543,657	343,455	-	343,455
	1,351,715	1,681,896	540,759	1,681,896

21 Creditors: amounts falling due after one year

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Bank loans	157,462	-	157,462	-
Other loans	346,667	182,377	346,667	182,377
Deferred income	3,057,135	3,132,135	3,057,135	3,132,135
	3,561,264	3,314,512	3,561,264	3,314,512

22 Pension and other schemes

Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £51,725 (2019 - £72,316.

23 Funds

Group

	Balance at 1 January 2020 £	Incoming resources £	Resources expended £	Balance at 31 December 2020 £
Unrestricted funds				
General				
General Funds	591,616	3,004,635	(2,820,099)	776,152
Restricted funds				
Education	-	62,553	-	62,553
Aquisition of rolling stock	-	126,776	-	126,776
	-	189,329	-	189,329
Total funds	591,616	3,193,964	(2,820,099)	965,481

Charity

	Balance at 1 January 2020 £	Incoming resources £	Resources expended £	Balance at 31 December 2020 £
Unrestricted funds				
General				
General Funds	591,616	2,582,365	(1,822,610)	1,351,371
Restricted funds				
Education	-	62,553	-	62,553
Aquisition of rolling stock	-	126,776	-	126,776
	-	189,329	-	189,329
Total funds	591,616	2,771,694	(1,822,610)	1,540,700

24 Analysis of net assets between funds

Group

	Unrestricted funds General £	Restricted funds £	Total funds at 31 December 2020 £
Tangible fixed assets	4,725,347	189,329	4,914,676
Current assets	963,784	-	963,784
Current liabilities	(1,351,715)	-	(1,351,715)
Creditors over 1 year	(3,561,264)	-	(3,561,264)
Total net assets	776,152	189,329	965,481

	Unrestricted funds General £	Total funds at 31 December 2019 £
Tangible fixed assets	5,020,591	5,020,591
Current assets	567,433	567,433
Current liabilities	(1,681,896)	(1,681,896)
Creditors over 1 year	(3,314,512)	(3,314,512)
Total net assets	591,616	591,616

Charity

	Unrestricted funds General £	Restricted funds £	Total funds at 31 December 2020 £
Tangible fixed assets	4,691,615	189,329	4,880,944
Fixed asset investments	1	-	1
Current assets	761,778	-	761,778
Current liabilities	(540,759)	-	(540,759)
Creditors over 1 year	(3,561,264)	-	(3,561,264)
Total net assets	1,351,371	189,329	1,540,700

	Unrestricted funds General	Total funds at 31 December 2019
	£	£
Tangible fixed assets	5,020,591	5,020,591
Current assets	567,433	567,433
Current liabilities	(1,681,896)	(1,681,896)
Creditors over 1 year	(3,314,512)	(3,314,512)
Total net assets	591,616	591,616

25 Analysis of net funds

Group

	At 1 January 2020	Financing cash flows	At 31 December 2020
	£	£	£
Cash at bank and in hand	288,783	(38,678)	250,105
Net debt	288,783	(38,678)	250,105

	At 1 January 2019	Financing cash flows	At 31 December 2019
	£	£	£
Cash at bank and in hand	192,495	96,288	288,783
Net debt	192,495	96,288	288,783