

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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COMPANIES HOUSE

# **EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED**

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# **EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED**

## **REFERENCE AND ADMINISTRATIVE DETAILS**

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<b>Trustees</b>	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
<b>Charity Registration Number</b>	1186648
<b>Company Registration Number</b>	2023981
	The charity is incorporated in England and Wales.
<b>Registered Office</b>	Bolton Street Station Bury Lancashire BL9 0EY
<b>Auditor</b>	Horsfield & Smith Tower House 269 Walmersley Road Bury Lancashire BL9 6NX

# **EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED**

## **TRUSTEES' REPORT**

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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.

# **EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED**

## **TRUSTEES' REPORT**

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### ***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 its 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.

# **EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED**

## **TRUSTEES' REPORT**

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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.

# **EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED**

## **TRUSTEES' REPORT**

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### **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.

# **EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED**

## **TRUSTEES' REPORT**

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### **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





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

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**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.



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

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**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.



# **EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED**

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

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### **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



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

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- 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 £	General £	Restricted funds £	Total 2021 £
<b>Income and Endowments from:</b>					
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
<b>Expenditure on:</b>					
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
<b>Reconciliation of funds</b>					
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

The notes on pages 16 to 36 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 2021****(INCLUDING CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT AND  
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES)**

	Note	Unrestricted funds General £	Restricted funds £	Total 2020 £
<b>Income and Endowments from:</b>				
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
<b>Total Income</b>		<b>3,079,635</b>	<b>189,329</b>	<b>3,268,964</b>
<b>Expenditure on:</b>				
Raising funds	7	(1,918,659)	-	(1,918,659)
Charitable activities	8	(791,593)	-	(791,593)
Other expenditure	9	(184,847)	-	(184,847)
<b>Total Expenditure</b>		<b>(2,895,099)</b>	<b>-</b>	<b>(2,895,099)</b>
<b>Net income</b>		<b>184,536</b>	<b>189,329</b>	<b>373,865</b>
<b>Net movement in funds</b>		<b>184,536</b>	<b>189,329</b>	<b>373,865</b>
<b>Reconciliation of funds</b>				
Total funds brought forward		591,616	-	591,616
Total funds carried forward	24	776,152	189,329	965,481

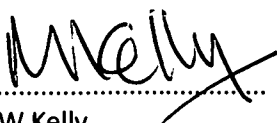
All of the group's activities derive from continuing operations during the above two periods.

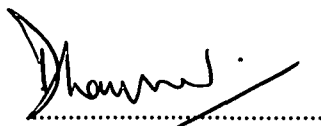
The funds breakdown for 2020 is shown in note 24.

**EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED****(REGISTRATION NUMBER: 2023981)****CONSOLIDATED BALANCE SHEET****AS AT 31 DECEMBER 2021**

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

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

The notes on pages 16 to 36 form an integral part of these financial statements.

**EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED****(REGISTRATION NUMBER: 2023981)****BALANCE SHEET****AS AT 31 DECEMBER 2021**

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

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

The notes on pages 16 to 36 form an integral part of these financial statements.



**EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

	<b>Note</b>	<b>2021 £</b>	<b>2020 £</b>
<b>Cash flows from operating activities</b>			
Net cash income		554,026	373,865
<b>Adjustments to cash flows from non-cash items</b>			
Depreciation	7, 9	220,809	212,485
Investment income	5	(16)	(22)
Loss/(profit) on disposal of tangible fixed assets		1,703	(8,992)
		<u>776,522</u>	<u>577,336</u>
<b>Working capital adjustments</b>			
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		<u>1,221,886</u>	<u>(317,679)</u>
<b>Cash flows from investing activities</b>			
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		<u>(71,681)</u>	<u>(97,556)</u>
<b>Cash flows from financing activities</b>			
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		<u>250,105</u>	<u>288,783</u>
Cash and cash equivalents at 31 December		<u><u>1,135,357</u></u>	<u><u>250,105</u></u>

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

The notes on pages 16 to 36 form an integral part of these financial statements.

# **EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

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### **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.

# **EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

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### **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.

# **EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

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### **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.

# **EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

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### **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:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Museum	20 to 50 years straight line
Infrastructure and buildings	20 to 50 years straight line
Office fixtures and equipment	5 to 10 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.

# **EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

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### **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.

# **EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

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### **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.

**EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**3 Income from donations and legacies**

	<b>Unrestricted funds General £</b>	<b>Restricted funds £</b>	<b>Total 2021 £</b>	<b>Total 2020 £</b>
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
	<u>951,163</u>	<u>5,454</u>	<u>956,617</u>	<u>1,744,054</u>

**4 Income from charitable activities**

	<b>Unrestricted funds General £</b>	<b>Total 2021 £</b>	<b>Total 2020 £</b>
Education	<u>11,600</u>	<u>11,600</u>	<u>29,600</u>

**5 Investment income**

	<b>Unrestricted funds General £</b>	<b>Total 2021 £</b>	<b>Total 2020 £</b>
Interest receivable and similar income;			
Interest receivable on bank deposits	<u>16</u>	<u>16</u>	<u>22</u>



# **EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

### **6 Other income**

	<b>Unrestricted funds General £</b>	<b>Total 2021 £</b>	<b>Total 2020 £</b>
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
	<u>3,604,350</u>	<u>3,604,350</u>	<u>1,495,288</u>

### **7 Expenditure on raising funds**

#### **a) Costs of generating donations and legacies**

	<b>Note</b>	<b>Unrestricted funds General £</b>	<b>Total 2021 £</b>	<b>Total 2020 £</b>
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
		<u>52,548</u>	<u>52,548</u>	<u>47,337</u>

# **EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

### **b) Costs of trading activities**

	<b>Unrestricted funds General £</b>	<b>Total 2021 £</b>	<b>Total 2020 £</b>
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
	<u>2,732,987</u>	<u>2,732,987</u>	<u>1,871,322</u>

**EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021****8 Expenditure on charitable activities**

	<b>Note</b>	<b>Unrestricted funds General £</b>	<b>Restricted funds £</b>	<b>Total 2021 £</b>	<b>Total 2020 £</b>
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
		<u>1,076,820</u>	<u>14,592</u>	<u>1,091,412</u>	<u>791,593</u>

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**

	<b>Note</b>	<b>Unrestricted funds General £</b>	<b>Total 2021 £</b>	<b>Total 2020 £</b>
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
		<u>141,610</u>	<u>141,610</u>	<u>184,847</u>

# **EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

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### **10 Analysis of governance and support costs**

#### **Governance costs**

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

### **11 Net incoming/outgoing resources**

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

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

### **12 Staff costs**

The aggregate payroll costs were as follows:

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

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:

	<b>2021 No</b>	<b>2020 No</b>
Administration and support	<u>58</u>	<u>60</u>

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

# **EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

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### **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.

**EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**15 Tangible fixed assets**

<b>Group</b>	<b>Bury transport museum £</b>	<b>Infrastructure and buildings £</b>	<b>Rolling stock £</b>	<b>Fixtures and equipment £</b>	<b>Plant and machinery £</b>	<b>Total £</b>
<b>Cost</b>						
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	<u>3,378,787</u>	<u>1,410,629</u>	<u>2,034,063</u>	<u>279,985</u>	<u>399,298</u>	<u>7,502,762</u>
<b>Depreciation</b>						
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	<u>720,107</u>	<u>648,554</u>	<u>878,413</u>	<u>168,972</u>	<u>322,856</u>	<u>2,738,902</u>
<b>Net book value</b>						
At 31 December 2021	<u>2,658,680</u>	<u>762,075</u>	<u>1,155,650</u>	<u>111,013</u>	<u>76,442</u>	<u>4,763,860</u>
At 31 December 2020	<u>2,722,299</u>	<u>755,955</u>	<u>1,216,846</u>	<u>134,834</u>	<u>84,742</u>	<u>4,914,676</u>

**EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**Charity**

	<b>Bury transport museum £</b>	<b>Infrastructure and buildings £</b>	<b>Rolling stock £</b>	<b>Fixtures and equipment £</b>	<b>Plant and machinery £</b>	<b>Total £</b>
<b>Cost</b>						
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	<u>3,378,787</u>	<u>1,410,629</u>	<u>2,034,063</u>	<u>137,105</u>	<u>399,298</u>	<u>7,359,882</u>
<b>Depreciation</b>						
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	<u>720,107</u>	<u>648,554</u>	<u>878,413</u>	<u>70,609</u>	<u>322,856</u>	<u>2,640,539</u>
<b>Net book value</b>						
At 31 December 2021	<u>2,658,680</u>	<u>762,075</u>	<u>1,155,650</u>	<u>66,496</u>	<u>76,442</u>	<u>4,719,343</u>
At 31 December 2020	<u>2,722,299</u>	<u>755,955</u>	<u>1,216,846</u>	<u>101,102</u>	<u>84,742</u>	<u>4,880,944</u>

# **EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

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### **16 Fixed asset investments**

#### **Charity**

#### **Shares in group undertakings and participating interests**

	<b>Subsidiary undertakings £</b>	<b>Total £</b>
<b>Cost</b>		
Additions	<u>1</u>	<u>1</u>
At 31 December 2021	<u>1</u>	<u>1</u>
<b>Net book value</b>		
At 31 December 2021	<u>1</u>	<u>1</u>

#### **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
			2021	2020	
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).



# **EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

### **17 Stock**

	<b>Group</b>		<b>Charity</b>
	<b>2021</b>	<b>2020</b>	<b>2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Stocks	<u>132,024</u>	<u>99,722</u>	<u>-</u>

### **18 Debtors**

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

### **19 Cash and cash equivalents**

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

### **20 Creditors: amounts falling due within one year**

	<b>Group</b>		<b>Charity</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
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	<u>335,068</u>	<u>543,657</u>	<u>-</u>	<u>-</u>
	<u>1,067,953</u>	<u>1,351,715</u>	<u>359,048</u>	<u>540,759</u>

# **EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

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### **21 Creditors: amounts falling due after one year**

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

### **22 Provisions**

#### **Group and Charity**

	<b>Provision</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
Credited to the statement of recognised gains and losses	<u>460,000</u>	<u>460,000</u>

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).

**EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**24 Funds**

**Group**

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

**EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**Charity**

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

# **EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

### **25 Analysis of net assets between funds**

#### **Group**

	<b>Unrestricted funds</b>		<b>Restricted funds</b>	<b>Total funds at 31 December 2021</b>
	<b>General</b>	<b>Designated</b>		
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
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)
<b>Total net assets</b>	<b>1,189,317</b>	<b>150,000</b>	<b>180,189</b>	<b>1,519,506</b>

	<b>Unrestricted funds</b>		<b>Restricted funds</b>	<b>Total funds at 31 December 2020</b>
	<b>General</b>	<b>Designated</b>		
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
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)
<b>Total net assets</b>		<b>776,152</b>	<b>189,329</b>	<b>965,481</b>

#### **Charity**

	<b>Unrestricted funds</b>		<b>Restricted funds</b>	<b>Total funds at 31 December 2021</b>
	<b>General</b>	<b>Designated</b>		
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
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)
<b>Total net assets</b>	<b>1,194,927</b>	<b>150,000</b>	<b>180,189</b>	<b>1,525,116</b>

# **EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

	<b>Unrestricted funds General £</b>	<b>Restricted funds £</b>	<b>Total funds at 31 December 2020 £</b>
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)
<b>Total net assets</b>	<b>1,351,371</b>	<b>189,329</b>	<b>1,540,700</b>

### **26 Analysis of net funds**

#### **Group**

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

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

### **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).