

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
Registered Office	The charity is incorporated in England and Wales. 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.

EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED

TRUSTEES REPORT

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 its 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.

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TRUSTEES REPORT

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.

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TRUSTEES REPORT

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.

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TRUSTEES REPORT

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.

EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED

TRUSTEES REPORT

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.

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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



EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED
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.



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

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.



EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED

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

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

- 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)**

			Unrestricted funds	Restricted	Total
	Note	Designated	General	funds	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

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 2022

**(INCLUDING CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT AND
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES)**

	Note	Unrestricted funds Designated £	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.

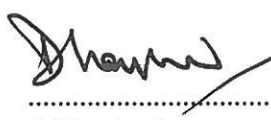
The funds breakdown is shown in note 24.

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

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


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		<u>1</u>	<u>1</u>
		<u>4,682,187</u>	<u>4,719,344</u>
Current assets			
Debtors	18	88,732	77,955
Cash at bank and in hand	19	<u>367,084</u>	<u>802,333</u>
		455,816	880,288
Creditors: Amounts falling due within one year	20	<u>(303,601)</u>	<u>(359,048)</u>
Net current assets		<u>152,215</u>	<u>521,240</u>
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	<u>(460,000)</u>	<u>(460,000)</u>
Net assets		<u>1,273,934</u>	<u>1,525,116</u>
Funds of the charity:			
Restricted income funds			
Restricted funds		173,176	180,191
Unrestricted income funds			
Designated Funds		150,000	150,000
General Funds		<u>950,758</u>	<u>1,194,925</u>
Total unrestricted funds		<u>1,100,758</u>	<u>1,344,925</u>
Total funds	24	<u>1,273,934</u>	<u>1,525,116</u>

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

The notes on pages 18 to 38 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 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
		<u>117,285</u>	<u>776,522</u>
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		<u>27,453</u>	<u>1,221,886</u>
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		<u>41</u>	<u>585</u>
Net cash flows from investing activities		(300,951)	(71,681)
Cash flows from financing activities			
Repayment of loans and borrowings	20, 21	<u>(80,453)</u>	<u>(264,953)</u>
Net (decrease)/increase in cash and cash equivalents		(353,951)	885,252
Cash and cash equivalents at 1 January		<u>1,135,357</u>	<u>250,105</u>
Cash and cash equivalents at 31 December		<u><u>781,406</u></u>	<u><u>1,135,357</u></u>

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

EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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.

EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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.

EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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.

EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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 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 2022

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 2022

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 2022

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
	<u>353,846</u>	<u>7,577</u>	<u>361,423</u>	<u>956,617</u>

4 Income from charitable activities

	Unrestricted funds General £	Total 2022 £	Total 2021 £
Education	<u>46,369</u>	<u>46,369</u>	<u>11,600</u>

5 Investment income

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

EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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
	<u>4,721,666</u>	<u>4,721,666</u>	<u>3,604,350</u>

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
		<u>62,837</u>	<u>62,837</u>	<u>52,548</u>

EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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 safety	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
	<u>4,302,385</u>	<u>4,302,385</u>	<u>2,732,987</u>

EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

8 Expenditure on charitable activities

		Unrestricted funds General	Restricted funds	Total 2022	Total 2021
	Note	£	£	£	£
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
		<u>750,584</u>	<u>14,592</u>	<u>765,176</u>	<u>1,091,412</u>

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

		Unrestricted funds General	Total 2022	Total 2021
	Note	£	£	£
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
		<u>115,363</u>	<u>115,363</u>	<u>141,610</u>

EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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
	<u>13,194</u>	<u>13,194</u>	<u>17,934</u>

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	<u>233,630</u>	<u>220,808</u>

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	-
	<u>1,553,273</u>	<u>1,267,957</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:

	2022 No	2021 No
Administration and support	<u>64</u>	<u>58</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 2022

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 2022

15 Tangible fixed assets

Group	< Heritage Assets >					Total £
	Bury transport museum £	Infrastructure and buildings £	Rolling stock £	Fixtures and equipment £	Plant and machinery £	
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

EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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	7,359,883
Additions	5,530	162,525	1,156	6,406	182,697
Disposals	-	(800)	-	-	(800)
At 31 December 2022	3,384,317	1,572,354	2,035,219	143,512	7,541,780
Depreciation					
At 1 January 2022	720,107	648,554	878,413	70,610	2,640,540
Charge for the year	67,611	68,428	60,528	10,195	219,854
Eliminated on disposals	-	(800)	-	-	(800)
At 31 December 2022	787,718	716,182	938,941	80,805	2,859,594
Net book value					
At 31 December 2022	2,596,599	856,172	1,096,278	62,707	4,682,186
At 31 December 2021	2,658,680	762,075	1,155,650	66,496	4,719,343

EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

16 Fixed asset investments

Charity

Shares in group undertakings and participating interests

	Subsidiary undertakings £	Total £
Cost		
Additions	<u>1</u>	<u>1</u>
At 31 December 2022	<u>1</u>	<u>1</u>
Net book value		
At 31 December 2022	<u><u>1</u></u>	<u><u>1</u></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
			2022	2021	
Subsidiary undertakings					
East Lancashire Railway Limited	England	Ordinary £1	100%	100%	light railway operator

EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

17 Stock

	Group		Charity
	2022	2021	2022
	£	£	£
Stocks	<u>130,239</u>	<u>132,024</u>	<u>-</u>

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	<u>162,208</u>	<u>122,388</u>	<u>40,999</u>	<u>44,753</u>
	<u>306,875</u>	<u>271,686</u>	<u>88,732</u>	<u>77,955</u>

19 Cash and cash equivalents

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

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	<u>351,593</u>	<u>335,068</u>	<u>-</u>	<u>-</u>
	<u>1,086,072</u>	<u>1,067,953</u>	<u>303,601</u>	<u>359,048</u>

EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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	<u>2,907,135</u>	<u>2,982,135</u>	<u>2,907,135</u>	<u>2,982,135</u>
	<u>3,100,468</u>	<u>3,255,468</u>	<u>3,100,468</u>	<u>3,255,468</u>

22 Provisions

Group and Charity

	Provision £	Total £
At 1 January 2022	<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 (2021 - £51,725).

EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

24 Funds

Group

	Balance at 1 January 2022 £	Incoming resources £	Resources expended £	Balance at 31 December 2022 £
Unrestricted funds				
<i>General</i>				
General Funds	1,189,314	5,122,686	(5,231,169)	1,080,831
<i>Designated</i>				
Locomotive refurbishment reserve	150,000	-	-	150,000
Total unrestricted funds	<u>1,339,314</u>	<u>5,122,686</u>	<u>(5,231,169)</u>	<u>1,230,831</u>
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
	<u>180,191</u>	<u>7,577</u>	<u>(14,592)</u>	<u>173,176</u>
Total funds	<u>1,519,505</u>	<u>5,130,263</u>	<u>(5,245,761)</u>	<u>1,404,007</u>

EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

Charity

	Balance at 1 January 2022 £	Incoming resources £	Resources expended £	Balance at 31 December 2022 £
Unrestricted funds				
<i>General</i>				
General Funds	1,194,925	1,677,876	(1,922,043)	950,758
<i>Designated</i>				
Locomotive refurbishment reserve	150,000	-	-	150,000
Total unrestricted funds	<u>1,344,925</u>	<u>1,677,876</u>	<u>(1,922,043)</u>	<u>1,100,758</u>
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
	<u>180,191</u>	<u>7,577</u>	<u>(14,592)</u>	<u>173,176</u>
Total funds	<u><u>1,525,116</u></u>	<u><u>1,685,453</u></u>	<u><u>(1,936,635)</u></u>	<u><u>1,273,934</u></u>

EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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	<u>1,080,830</u>	<u>150,000</u>	<u>173,177</u>	<u>1,404,007</u>

	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	<u>1,189,317</u>	<u>150,000</u>	<u>180,189</u>	<u>1,519,506</u>

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	<u>950,757</u>	<u>150,000</u>	<u>173,177</u>	<u>1,273,934</u>

EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

	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	<u>1,194,927</u>	<u>150,000</u>	<u>180,189</u>	<u>1,525,116</u>

26 Analysis of net funds

Group

	At 1 January 2022	At 31 December 2022
	£	£
Cash at bank and in hand	<u>1,135,357</u>	<u>1,135,357</u>
Net debt	<u>1,135,357</u>	<u>1,135,357</u>
	At 1 January 2021	At 31 December 2021
	£	£
Cash at bank and in hand	<u>250,105</u>	<u>250,105</u>
Net debt	<u>250,105</u>	<u>250,105</u>

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).