

Company registration number: 2023981

Charity registration number: 1186648

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

EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED

CONTENTS

Reference and Administrative Details	1
Trustees Report	2 to 8
Independent Auditors' Report	9 to 12
Consolidated Statement of Financial Activities	13 to 14
Consolidated Balance Sheet	15
Balance Sheet	16
Consolidated Statement of Cash Flows	17
Notes to the Financial Statements	18 to 38

EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED

REFERENCE AND ADMINISTRATIVE DETAILS

Chairman M W Kelly

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

Charity Registration Number 1186648

Company Registration Number 2023981

Registered Office The charity is incorporated in England and Wales.
Bolton Street Station
Bolton Street
Bury
Lancashire
BL9 0EY

Auditor Horsfield & Smith
Tower House
269 Walmersley Road
Bury
Lancashire
BL9 6NX

EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED

TRUSTEES REPORT

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

Trustees and Officers

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

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

Objectives and activities

Objects and aims

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

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

b) The establishment and maintenance of a museum.

Public benefit

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

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

Use of volunteers

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

EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED

TRUSTEES REPORT

Structure, governance and management

Nature of governing document

The organisation is a charitable company.

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

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

Organisational structure

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

Recruitment and appointment of trustees

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

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

Achievements and performance

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

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

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

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

EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED

TRUSTEES REPORT

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

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

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

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

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

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

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

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

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

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

EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED

TRUSTEES REPORT

Financial review

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

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

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

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

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

Policy on reserves

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

Investment policy and objectives

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

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

Plans for future periods

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

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

EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED

TRUSTEES REPORT

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

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

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

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

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

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

Going concern

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

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

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

EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED

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.

Financial instruments

Objectives and policies

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

Cash flow risk

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

Credit risk

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

Liquidity risk

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

Reputational risk

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

Disclosure of information to auditor

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

Reappointment of auditor

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

EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED

TRUSTEES REPORT

Statement of Responsibilities

The trustees (who are also the directors of East Lancashire Light Railway Company Limited for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

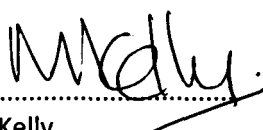
Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the parent charitable company and the group and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

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the parent charitable company will continue in business.

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

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

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


.....
M W Kelly
Chairman and Trustee



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 2023, which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Cash Flows and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice) and applicable law.

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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



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 8), the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



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

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

Auditor responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

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



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

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

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

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

A further description of our responsibilities is available on the FRC's website at:

<https://www.frc.org.uk/auditors/audit-assurance/auditorsresponsibilities>

This description forms part of our auditor's report.

Use of our report

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

.....
P G Nicol (Senior Statutory Auditor)

For and on behalf of Horsfield & Smith, Statutory Auditor

Tower House
269 Walmersley Road
Bury
Lancashire
BL9 6NX

30 August 2024

EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2023

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

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

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

EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2023
(INCLUDING CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT AND
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES)

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

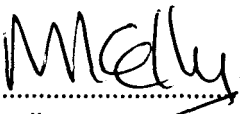
All of the group's activities derive from continuing operations during the above two periods.

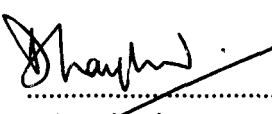
The funds breakdown is shown in note 24.

EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED**(REGISTRATION NUMBER: 2023981)****CONSOLIDATED BALANCE SHEET****AS AT 31 DECEMBER 2023**

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

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


.....
M W Kelly
Chairman and Trustee


.....
D S Layland
Trustee

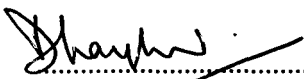
The notes on pages 18 to 38 form an integral part of these financial statements.

EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED**(REGISTRATION NUMBER: 2023981)****BALANCE SHEET****AS AT 31 DECEMBER 2023**

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

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


.....
M W Kelly
Chairman and Trustee


.....
D S Layland
Trustee

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 2023

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

1 Charity status

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

The address of its registered office is:

Bolton Street Station

Bolton Street

Bury

Lancashire

BL9 0EY

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also comply with the Companies Act 2006 and Charities Act 2011.

Basis of preparation

East Lancashire Light Railway Company Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The financial statements are presented in £ sterling.

Basis of consolidation

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

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

EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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

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

Going concern

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

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

Income and endowments

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

Donations and legacies

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

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

Grants receivable

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

EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Deferred income

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

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

Investment income

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

Expenditure

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

Raising funds

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

Charitable activities

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

Repairs and maintenance

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

Governance costs

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

EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Grants

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

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

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

Taxation

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

Tangible fixed assets

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

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

Depreciation and amortisation

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

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

EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Stock

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

Trade debtors

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

Cash and cash equivalents

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

Trade creditors

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

Deferred income

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

Borrowings

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

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

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

Provisions

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

EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Fund structure

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

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

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

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

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

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

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

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

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

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

Investments

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

EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

3 Income from donations and legacies

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

4 Income from charitable activities

	Unrestricted funds General £	Total 2023 £
Education	<u>34,530</u>	<u>34,530</u>

5 Investment income

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

EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

6 Other income

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

7 Expenditure on raising funds

a) Costs of generating donations and legacies

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

EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

b) Costs of trading activities

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

EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

8 Expenditure on charitable activities

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

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

9 Other expenditure

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

EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

10 Analysis of governance and support costs

Governance costs

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

11 Net incoming/outgoing resources

Net outgoing resources for the year include:

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

EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

12 Staff costs

The aggregate payroll costs were as follows:

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

	2023	2022
	No	No
Administration and support	<u>64</u>	<u>64</u>

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

13 Trustees remuneration and expenses

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

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

14 Taxation

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 202330

EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Charity

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

EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

16 Fixed asset investments

Charity

Shares in group undertakings and participating interests

	Subsidiary undertakings £	Total £
Cost		
At 1 January 2023	<u>1</u>	<u>1</u>
At 31 December 2023	<u>1</u>	<u>1</u>
Net book value		
At 31 December 2023	<u>1</u>	<u>1</u>
At 31 December 2022	<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
			2023	2022	
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 2023

17 Stock

	Group		Charity
	2023	2022	2023
	£	£	£
Stocks	<u>129,648</u>	<u>130,239</u>	<u>-</u>

18 Debtors

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

19 Cash and cash equivalents

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

20 Creditors: amounts falling due within one year

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

EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

21 Creditors: amounts falling due after one year

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

22 Provisions

Group and Charity

	Provision	Total
	£	£
At 1 January 2023	<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 (2022 - £51,725).

EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

24 Funds

Group

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

EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

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

EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

25 Analysis of net assets between funds

Group

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

	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>

Charity

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

EAST LANCASHIRE LIGHT RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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

26 Analysis of net funds

Group

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

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

27 Related party transactions

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

East Lancashire Railway Holdings Limited

The company is a related party by virtue of having common directors.

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