

Registered number: 01007871
Charity number: 262481

The Kent and East Sussex Railway Company Limited
(A company limited by guarantee)

Trustees' report and financial statements
for the year ended 31 October 2023

The Kent and East Sussex Railway Company Limited
(A company limited by guarantee)

Financial Headlines
for the year ended 31 October 2023

- The Company's consolidated income for the year ended 31st October 2023 was £2,521,044 compared with £2,018,752 in 2022.
- The Company recorded a net consolidated deficit of £42,590 in 2023 compared with a deficit of £384,873 in 2022 (page 44).
- Colonel Stephens Railway Enterprises Ltd, the wholly owned trading subsidiary, which includes all the commercial activities, achieved sales of £721,722 compared with £577,965 in the previous year and a pre charitable donation profit of £77,727 compared with a profit of £38,580 in 2022 (page 48).
- The total net cash in the balance sheet at the year-end was £357,998 compared with £505,572 in 2022 (see below).
- Total visitor numbers during the year increased by 7.5% (see below).

6-Year Net Cash and Debt Profile (year end)

| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 |
|--------------------------|----------------|----------------|----------------|---------------|----------------|----------------|
| CAF Bank Loan | (222,690) | (260,749) | (300,518) | (339,936) | (357,008) | (390,890) |
| Other Loans | (26,534) | (36,363) | (55,012) | (79,000) | (34,000) | - |
| Total Capital | (249,224) | (297,112) | (355,530) | (418,936) | (391,008) | (390,890) |
| Cash at Bank and In Hand | 607,222 | 802,684 | 1,119,680 | 495,018 | 661,831 | 597,968 |
| Total Net Cash / (Debt) | 357,998 | 505,572 | 764,150 | 76,082 | 270,823 | 207,078 |

The figures for cash include Advance Bookings.

Visitor Numbers

| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 |
|-----------------------------|--------|--------|--------|--------|--------|--------|
| Service Trains / Admissions | 60,889 | 56,664 | 35,210 | 30,362 | 83,907 | 77,491 |
| Pullman Dining Trains | 3,163 | 2,937 | 2,087 | 647 | 3,085 | 3,404 |
| | 64,052 | 59,601 | 37,297 | 31,009 | 86,992 | 80,895 |

Platform Tickets = 2,275 in 2023 (2022: 1,576)

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for the year ended 31 October 2023

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The Kent and East Sussex Railway Company Limited
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Reference and administrative details of the Charity, its Trustees and Advisers
for the year ended 31 October 2023

Constitution

The Kent and East Sussex Railway Company Limited is a company limited by guarantee and a registered charity. Charity Number: 262481. Company Number 01007871.

Directors and Trustees

The Directors of the Charitable Company ('the Charity') are its Trustees for the purposes of charity law and throughout this report are collectively referred to as the Trustees.

The Trustees serving during the year and at the date of this report were as follows:

| | |
|--------------|------------------|
| S A Marsh 1 | Chairman |
| G A Crouch 1 | Finance Director |
| I C Legg 1 | |
| M J Hyner | |
| D J Nibloe | |
| P D Shaw 1 | |
| N D Sime | |
| P E Vidler | |
| R M White | |
| A Papworth | |

1 also directors of Colonel Stephens Railway Enterprises Limited at the date of this report

Registered office

Tenterden Town Station, Station Road, Tenterden, Kent, TN30 6HE

Company Secretary and Assistant Company Secretary

J Cobbett - Company Secretary
D Raimbach - Assistant Company Secretary

Senior management team

R Coombes (General Manager), A Freeman (Commercial Manager), P Salmon (Operations Manager), A Brice (C&W Delivery Manager), B Richards (Infrastructure Manager), M Gooch (Pullman Manager), M deCol (Accountant)

Independent auditor

Kreston Reeves LLP, Chartered Accountants, Statutory Auditor, Montague Place, Quayside, Chatham Maritime, Chatham, Kent, ME4 4QU

Bankers

CAF Bank Limited, PO Box 289, West Malling, Kent, ME19 4TA
National Westminster Bank plc, 58 High Street, Tenterden, Kent, TN30 6AX

Solicitors

Rix & Kay LLP, The Courtyard, River Way, Uckfield, East Sussex, TN22 1SL

The Kent and East Sussex Railway Company Limited
(A company limited by guarantee)

Trustees' report
For the year ended 31 October 2023

The Trustees are pleased to present their report together with the financial statements of the Charity for the year ended 31 October 2023. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' (FRS 102) in preparing the annual report and financial statements of the Charitable Company.

Legal and administrative information set out on page 1 forms part of this report. The financial statements comply with Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

Our purposes and activities

The purposes of the Charity are to preserve, restore and operate the whole or parts of the railway from Tenterden in Kent to Robertsbridge in Sussex (known as The Kent & East Sussex Railway) as a permanent public exhibition and museum, which includes the preservation, display and operation of steam and other locomotives, rolling stock, equipment, and other relics. The Charity thereby aims to contribute to technical, historical, and general education concerning the operation of a rural light railway.

The Trustees consider that the Charity's objectives are for the public benefit and that its activities, achievements, and performance are consistent with its objectives having regard to Charity Commission guidance, including the guidance "Public Benefit: running a charity (PB2)".

To achieve its objects the Charity: -

- operates a heritage railway service with authentic locomotives and rolling stock.
- acquires, preserves, and restores steam and other locomotives, rolling stock and relics of historical, operational, educational, and general interest.
- maintains, improves, and develops the railway and the land, works and buildings relating thereto.
- encourages and promotes the interest, support, and participation of young people in the railway by establishing and maintaining contacts with schools, universities etc.; and
- maintains a public museum and library of objects of interest to the history of the railway, its founder, Colonel Stephens, and his other railways.

The major area of activity of the Charity continues to be the operation of a heritage railway service as a means of demonstrating and exhibiting steam and other railway locomotives, rolling stock etc., which provides funding for the restoration of engines, carriages and wagons and the railway itself.

The Charity offers people the opportunity to experience the delights of the steam age, and to understand this historic means of travel which changed the face of Britain. For others it offers the opportunity to volunteer their time, helping us maintain and renovate the locomotives, carriages, and other infrastructure and providing a number of well-being benefits for the volunteers themselves.

For many years, the Charity has also run special events including "Santa Specials". While providing a valuable source of income to assist with various preservation and other similar projects, such events are important in encouraging and promoting the interest of young people in the railway. In furtherance of this aim the Charity has close links with the education departments of local authorities, as illustrated by our "Evacuation Experience", now regarded by many schools in Kent and East Sussex as an essential ingredient in their teaching of this aspect of modern history, through our Junior Engineer days, and by our partnership with The Terrier Trust CIO and Global London Learning to create an immersive educational programme for primary school children in the London Borough of Tower Hamlets.

The Kent and East Sussex Railway Company Limited
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Trustees' report
For the year ended 31 October 2023

Members and volunteers

The Trustees greatly value the support given by the members. At 31 October 2023, the membership stood at 2,834, including approximately 686 active volunteers. The Charity and its wholly owned trading subsidiary is grateful for the continued efforts of their volunteers whose contributions are integral to the growth, development, and operation of activities.

Colonel Stephens Museum

The museum offers free admission to all visitors when the railway is operational.

Financial review

The Company and its subsidiary recorded a deficit of £42,590 for the year. This compares with a deficit of £384,873 in 2022. Significant actions were taken following the deficit incurred in 2022 to increase income and control expenditure, and the Trustees are pleased with significant improvement in performance during the subsequent year.

Legacy income, which is always unpredictable, fell from £147,898 in 2022 to £47,314 but was still a valuable source of income which supports capital investment within the Railway.

The Trustees record their thanks to those organisations who have made grant awards to the Company in furtherance of our charitable aims, including the Swire Charitable Trust, the Association of Industrial Archaeology and the M J Camp Charitable Foundation. A further grant was received to support the survey of wildlife habitats along the line, supporting our aims to foster a vibrant wildlife corridor along our line.

Passenger numbers rose from 59,601 in 2022 to 64,052 but remained significantly lower than the 80,000/90,000 annual totals that we were achieving in the pre Covid era and which we must aim to ensure we achieve a surplus.

Our gross cash at the year-end was £607,222 compared with £802,684 at October 2022. These figures included substantial advance booking income for the 2022 Santa trains. Our bank loans were reduced during the year from £297,122 to £249,224 in accordance with the Bank agreements. Our loans now have a term of less than 5 years remaining.

Outlook for 2024

The financial budget for the current year predicted a modest further increase in visitor numbers allowing a small increase in staffing levels to support this.

The financial year started slowly. Whilst the Santa Specials for the 2023 season achieved similar income to that for the previous year, we did not achieve the hoped-for passenger numbers and as a result of increased costs the bottom-line contribution of the event was below budget. Post event analysis shows that the market of 'standard class' family groups weakened (whereas premium packages held up well).

In the current calendar year we have seen a small increase in visitor numbers. A strong partnership with a third party is bringing significant new business to the Railway. The 50th Anniversary Gala, Diesel Gala and 1940s large scale events and smaller ones all are contributing reduce the impact of Santa budget shortfall.

Income, expenditure and cash flow forecasts are updated on a monthly basis, with actions being taken to both increase income and manage costs.

Investment powers and policy

Under the memorandum and articles of association, the Charity has the power to make any investment which the Trustees see fit.

The Kent and East Sussex Railway Company Limited
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Trustees' report
For the year ended 31 October 2023

Reserves policy

The Trustees have reviewed the reserves of the Charity. The review considered the nature of the income and expenditure streams and the need to match variable income with fixed commitments and the nature of the reserves.

The unrestricted reserves of the Group decreased in the year by £141,449 to £1,417,610 (see Note 22). The unrestricted reserves are maintained to meet the Charity's ongoing unrestricted charitable expenditure as well as the longer-term financing of the Charity.

Restricted reserves have increased by £98,859 to £1,614,644 and the purpose of these funds is detailed in Note 21 in the financial statements.

The Group normally meets its day to day working capital requirements through internally generated revenues. The nature of the Group's activities is such that there can be considerable variation in the timing of cash inflows.

At 31 October 2023, the Group's net current assets included cash at bank and in hand of £607,222. These funds include amounts held to enable the Charity to operate during the winter months when income levels are much reduced; sums received in advance for future bookings; and balances in respect of restricted funds. Further details in respect of the latter are provided in note 21.

Structure, governance, and management

Governing document

The Kent and East Sussex Railway Company Limited is a company limited by guarantee governed by its memorandum and articles of association. It is registered as a charity with the Charity Commission.

Anyone can apply to become a member of the Company. At the year-end there were 2,834 members (2022: 2,726) each of whom undertakes to contribute an amount not exceeding £1 in the event of the winding up or dissolution of the Charity.

Recruitment and appointment of Trustees

As set out in the articles of association the Chairman of the Trustees is elected by them. Every Trustee who has served for a term of three years must retire from office. A retiring Trustee is eligible for re-election by the Members. The Trustees have the power at any time to appoint any member to be a Trustee, either to fill a casual vacancy or as an addition to the existing Trustees, up to the maximum of ten.

Trustee induction and training

New Trustees are briefed informally on their legal obligations under charity and company law, the content of the memorandum and articles of association, the committee, and decision-making processes, and recent financial performance of the Charity. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

Organisation

A Board of Trustees of up to ten members, who meet or communicate monthly, administers the Charity. There are subcommittees covering individual areas of activity and individual Trustees have taken responsibility for monitoring the activities in specific operational areas. They report points for action at Trustee meetings. A General Manager is appointed by the Trustees to manage the day-to-day operations of the Charity.

The non-charitable trading activities are conducted through the wholly owned trading subsidiary, Colonel Stephens Railway Enterprises Limited.

The Kent and East Sussex Railway Company Limited
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For the year ended 31 October 2023

Organisation (continued)

A wholly owned subsidiary, Robertsbridge 20/20 Limited, was incorporated to investigate the long-term objective of operating the railway to Robertsbridge. This Company is dormant.

The Company has 3 subsidiary companies which are listed in Note 15, together with the relevant shareholdings.

Key management personnel

The Board of Trustees is responsible for setting Policies and Instructions including those relating to Safety. The Board monitors the performance of the Management team against these Policies and Instructions and directs the General Manager accordingly. Key Management consists of the General Manager who oversees day to day operations, as well as Departmental Managers, some of whom are remunerated. The remuneration of the General Manager and the Employed Departmental Managers is set by the Board.

Related parties

Details of related parties are provided in Note 24 to the accounts.

Principal risks and uncertainties

The Trustees actively review the strategic business and operational risks to which the Charity is exposed and systems have been established to enable regular reports to be submitted to them. Arising from these regular reporting procedures the Trustees can take all necessary steps to lessen any risk to the Charity. The principal risks and uncertainties facing the Charity are as follows:

- The recovery of visitor numbers following the Covid-19 pandemic, Russian war in Ukraine and economic uncertainty.
- Competing tourist attractions - the market in which the Charity operates is relatively competitive, and therefore the attractions of competing tourist destinations could result in losing income to them. The Charity manages this risk by providing quality and innovative attractions to engender public interest in the Charity's heritage locomotives and other assets.
- Health and safety - attention is focused on non-financial risks relating to safety issues arising from the operation of the railway. This is monitored by a Safety Committee.
- Financial risk – specifically the impact of the rises to cost-of-living on disposable incomes and increases in costs such as utilities and coal. A key element in the management of financial risk is the regular review of the Charity's internal management accounts and cash flow generally against budget. Cash resources are reviewed on a weekly basis.
- Environmental sustainability – the continuing availability of coal is essential as is the need for the Charity to act in a responsible manner that minimises our impact on the climate and environment.
- Loss of key personnel or fewer people willing to volunteer their time - these would present significant operational difficulties for the Charity. The Trustees seek to ensure that key paid personnel are appropriately remunerated, and efforts are made to encourage volunteering.

The Charity also regularly issues policy documents dealing with risk management.

Trustees

The Trustees in office during the year and at the date of this report are set out on page 1. No Trustee is remunerated by the Charity or its trading subsidiary.

The Kent and East Sussex Railway Company Limited
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Trustees' report
For the year ended 31 October 2023

Trustees' responsibilities in relation to the financial statements

The Trustees as Directors are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and regulation.

Company law requires the trustees to prepare financial statements for each financial period. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 situation of the Charity and of the results of the Charity for that period. In preparing these financial statements, the trustees are required to: -

- select suitable accounting policies and then apply them consistently.
- observe the methods and principles in the charities SORP.
- make judgements and estimates that are reasonable and prudent.
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with Companies Act 2006 and the Charities Act 2011. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In accordance with company law, as the Company's Directors, we confirm that:

- so far as we are aware, there is no relevant audit information of which the Charity's auditors are unaware.
- and
- as the Directors of the Company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the Charity's auditors are aware of that information.

All Directors have signed declarations to the effect that they are fit and proper persons to act for the Charity in accordance with the requirements of the Finance Act 2010.

By order of the Trustees:

S A Marsh
Chairman

Date:

The Kent & East Sussex Railway Company Limited
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Independent auditor's report to the Members of the Kent and East Sussex Railway Company Limited
For the year ended 31 October 2023

Opinion

We have audited the financial statements of The Kent and East Sussex Railway Company Limited (the 'Parent Charitable Company') and its subsidiaries (the 'Group') for the year ended 31 October 2023 which comprise the Consolidated statement of financial activities, the Consolidated balance sheet, the Company balance sheet, the Consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and Parent Charitable Company's affairs as at 31 October 2023 and of the group's income 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 and the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and Parent Charitable Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditor's report thereon. The Trustees 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.

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Independent auditor's report to the Members of the Kent and East Sussex Railway Company Limited
For the year ended 31 October 2023

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report (incorporating the Strategic report) for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have 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 Parent Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the Strategic report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate and sufficient 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's 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 Trustees' responsibilities statement, the Trustees (who are also the Directors of the Charitable Company for the purposes of company law) 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 Group's and Parent Charitable Company'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 Group or Parent Charitable Company or to cease operations, or have no realistic alternative but to do so.

Independent auditor's report to the Members of the Kent and East Sussex Railway Company Limited
For the year ended 31 October 2023

Auditor's responsibilities for the audit of the financial statements

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

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:

Capability of the audit in detecting irregularities, including fraud

The objectives of our audit are to identify and assess the risks of material misstatement of the financial statements due to fraud or error; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud or error; and to respond appropriately to those risks.

Based on our understanding of the group and charitable sector generally, and through discussion with the Trustees and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to health and safety, anti-bribery and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, taxation and pension legislation. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or reduce expenditure and management bias in accounting estimates and judgemental areas of the financial statements. Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations and fraud; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Identifying and assessing the design effectiveness of controls that management has in place to prevent and detect fraud; and
- Conducting interviews with appropriate personnel to gain further insight into the control systems implemented, and the risk of irregularity; and
- Reading minutes of meetings of those charged with governance and reviewing correspondence with relevant regulatory authorities; and
- Physical inspection of tangible assets susceptible to fraud or irregularity; and
- Review of significant and unusual transactions and evaluation of the underlying financial rationale supporting the transactions; and
- Identifying and testing journal entries, in particular any manual entries made at the year end for financial statement preparation; and
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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Independent auditor's report to the Members of the Kent and East Sussex Railway Company Limited
For the year ended 31 October 2023

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the Charitable Company's members, 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 Charitable Company's members 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 Company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

James Peach FCA (Senior statutory auditor)

for and on behalf of
Kreston Reeves LLP

Chartered Accountants
Statutory Auditor
Chatham Maritime

Date:

The Kent and East Sussex Railway Company Limited
(A company limited by guarantee)

Consolidated Statement of financial activities (incorporating income and expenditure account)
for the year ended 31 October 2023

| | Note | Unrestricted funds 2023 £ | Restricted funds 2023 £ | Total funds 2023 £ | Total funds 2022 £ |
|--|--------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Income from: | | | | | |
| Donations and legacies | 6 | 165,818 | 124,973 | 290,791 | 311,667 |
| Charitable activities | 6 | 1,426,013 | - | 1,426,013 | 1,106,820 |
| Other grants | 6 | - | 81,179 | 81,179 | 20,867 |
| Other trading activities | 6 | 721,722 | - | 721,722 | 577,965 |
| Interest | 6 | 784 | - | 784 | - |
| Share of associate net income | | 555 | - | 555 | 1,433 |
| Total income | | 2,314,892 | 206,152 | 2,521,044 | 2,018,752 |
| Expenditure on: | | | | | |
| Raising funds | | 443,153 | - | 443,153 | 350,122 |
| Charitable activities | 7 - 10 | 2,055,886 | 64,595 | 2,120,481 | 2,053,503 |
| Total expenditure | | 2,499,039 | 64,595 | 2,563,634 | 2,403,625 |
| Net income/(expenditure) | | (184,147) | 141,557 | (42,590) | (384,873) |
| Transfers between funds | | 42,698 | (42,698) | - | - |
| Net movement in funds | | (141,449) | 98,859 | (42,590) | (384,873) |
| Reconciliation of funds: | | | | | |
| Total funds brought forward | 22 | 1,681,605 | 1,515,785 | 3,197,390 | 3,582,269 |
| Net movement in funds attributable to the parent company | | (141,569) | 98,859 | (42,710) | (384,879) |
| Total funds | | 1,540,036 | 1,614,644 | 3,154,680 | 3,197,390 |
| Non-controlling interest brought forward | 20 | (122,546) | - | (122,546) | (122,552) |
| Non-controlling interest movement in the year | 20 | 120 | - | 120 | 6 |
| | | 1,417,610 | 1,614,644 | 3,032,254 | 3,074,844 |

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 15 to 43 form part of these financial statements.

Consolidated balance sheet
as at 31 October 2023

| | Note | 2023 £ | 2022 £ |
|--|-------------|-------------------------|-------------------------|
| Fixed assets | | | |
| Intangible assets | 13 | - | 1,663 |
| Tangible assets | 14 | 3,324,115 | 3,307,318 |
| Heritage assets | 14 | 16,511 | 16,511 |
| Investments | 15 | 13,354 | 12,799 |
| | | 3,353,980 | 3,338,291 |
| Current assets | | | |
| Stocks | 16 | 33,517 | 32,729 |
| Debtors | 17 | 108,718 | 134,606 |
| Cash at bank and in hand | 27 | 607,222 | 802,684 |
| | | 749,457 | 970,019 |
| Creditors: amounts falling due within one year | 18 | (749,522) | (862,469) |
| Net current assets | | (65) | 107,550 |
| Total assets less current liabilities | | 3,353,915 | 3,445,841 |
| Creditors: amounts falling due after more than one year | 19 | (199,235) | (248,451) |
| Net assets | | 3,154,680 | 3,197,390 |
| Charity funds | | | |
| Restricted funds | 21 | 1,614,644 | 1,515,785 |
| Unrestricted funds | 22 | 1,417,610 | 1,559,059 |
| Total funds | | 3,032,254 | 3,074,844 |
| Non-controlling interests | 20 | 122,426 | 122,546 |
| | | 3,154,680 | 3,197,390 |

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees on and signed on their behalf by:

S A Marsh
Chairman

G A Crouch
Trustee

The notes on pages 15 to 43 form part of these financial statements.

The Kent and East Sussex Railway Company Limited
(A company limited by guarantee)
Registered number: 01007871

Company balance sheet
as at 31 October 2023

| | Note | 2023 £ | 2022 £ |
|--|-------------|-------------------------|-------------------------|
| Fixed assets | | | |
| Tangible assets | 14 | 3,120,926 | 3,105,918 |
| Heritage assets | 14 | 16,511 | 16,511 |
| Investments | 15 | 149,205 | 148,650 |
| | | 3,286,642 | 3,271,079 |
| Current assets | | | |
| Debtors | 17 | 138,284 | 196,966 |
| Cash at bank and in hand | | 492,892 | 703,447 |
| | | 631,176 | 900,413 |
| Creditors: amounts falling due within one year | 18 | (631,016) | (778,418) |
| Net current assets | | 160 | 121,995 |
| Total assets less current liabilities | | 3,286,802 | 3,393,074 |
| Creditors: amounts falling due after more than one year | 19 | (199,235) | (248,451) |
| Net assets | | 3,087,567 | 3,144,623 |
| Charity funds | | | |
| Restricted funds | 21 | 1,614,644 | 1,515,785 |
| Unrestricted funds | 22 | 1,472,923 | 1,628,838 |
| Total funds | | 3,087,567 | 3,144,623 |

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees on and signed on their behalf by:

S A Marsh
Chairman

G A Crouch
Trustee

The notes on pages 15 to 43 form part of these financial statements.

The Kent and East Sussex Railway Company Limited
(A company limited by guarantee)

Consolidated statement of cashflows
for the year ended 31 October 2023

| | 2023 | 2022 |
|---|------------------------------|-----------------------|
| | £ | £ |
| Cash flows from operating activities | | |
| Net cash used in operating activities (note 26) | <u>43,478</u> | <u>(57,186)</u> |
| Cash flows from investing activities | | |
| Purchase of tangible fixed assets | (191,004) | (201,453) |
| Net cash used in investing activities | <u>(191,004)</u> | <u>(201,453)</u> |
| Cash flows from financing activities | | |
| Repayments in borrowing | (47,936) | (58,357) |
| Net cash provided by / (used in) financing activities | <u>(47,936)</u> | <u>(58,357)</u> |
| Changes in cash and cash equivalents in the year | (195,462) | (316,996) |
| Cash and cash equivalents at the beginning of the year | 802,684 | 1,119,680 |
| Cash and cash equivalents at the end of the year (note 27) | <u><u>607,222</u></u> | <u><u>802,684</u></u> |

The notes on pages 15 to 43 form part of these financial statements.

Notes to the financial statements
for the year ended 31 October 2023

1 General information

The Kent and East Sussex Railway Company Limited is a company limited by guarantee in the United Kingdom. In the event of the Charitable Company being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charitable Company. The address of the registered office is given in the Charity information on page 1 of these financial statements. The nature of the Charitable Company's operations and principal activities are set out on page 2.

2 Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011, and the Companies Act 2006.

The Kent and East Sussex 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.

The consolidated statement of financial activities (SOFA) and consolidated balance sheet consolidate the financial statements of the Company and its subsidiary undertakings Colonel Stephens Railway Enterprises Limited, Robertsbridge 20/20 Limited, and the Company's controlling interest in 6619 Limited. The results of the subsidiaries are consolidated on a line by line basis.

The financial statements are presented in UK pound sterling, which is the Charity's functional currency, and rounded to the nearest pound.

2.2 Group financial statements

The financial statements consolidate the results of the Charity and its wholly-owned subsidiary companies, Colonel Stephens Railway Enterprises Limited and Robertsbridge 20/20 Limited. In addition the Charity owns 51% of 6619 Limited, which is consolidated on a line by line basis, and also has an associated company, Tenterden Railway Company Limited. A separate Statement of Financial Activities, or income and expenditure account, for the Charity itself is not presented because the Charity has taken advantage of exemptions afforded by section 408 of the Companies Act 2006.

2.3 Going concern

Notwithstanding the deficit of £42,590 for the year and the negative net current assets at the balance sheet date the accounts have been prepared on a going concern basis. The justification of this treatment is as follows:

The principal risk the Group faces is the ability to generate sufficient income to cover expenditure. Additional income is being secured post year end.

The Trustees continue to implement a series of cost reduction and income generation measures to mitigate the risks largely generated by the cost of living crisis.

The Trustees have provided assurances to suggest the Group will continue to operate for a period of 12 months from the date of signature of these financial statements.

Notes to the financial statements
for the year ended 31 October 2023

2 Accounting policies (continued)

2.4 Income

Charitable activities

Income from fares and charter trains is included in income in the period in which the journey is taken.

Donations, Subscriptions, Grants, Legacies and Similar Income

Income from donations, subscriptions (including life), grants, legacies and similar income is included when receivable, except as follows:

- when donors specify that donations and grants given to the Charity must be used in future accounting periods, the income is deferred until those periods.
- when donors impose conditions, which have to be fulfilled before the Charity becomes entitled to use such income, the income is deferred and not included until the pre-conditions for use have been met.
- when donors specify that donations and grants, including capital grants, are for particular purposes, which do not amount to pre-conditions regarding entitlement, the income is included in restricted funds when receivable.

Income from commercial trading operations

The trading subsidiary's income is recognised as earned when goods and services are provided, net of value added tax.

2.5 Volunteers and donated services and assets

The value of voluntary services provided by members and others is not incorporated into these financial statements on the basis that no financial cost is borne by a third party.

Where assets are provided to the Charity as a donation that would normally be purchased from a third party, the donated asset is included in the financial statements at an estimated valuation.

2.6 Expenditure

Expenditure is recognised when a liability is incurred on an accruals basis. Costs are classified as follows:-

- Charitable activities include expenditure in relation to the operation and maintenance of the railway, rolling stock and stations and include both the direct costs and support costs relating to these activities.
- Costs of raising funds are those costs attributable to attracting voluntary and similar income and those incurred in relation to commercial trading activities that raise funds.
- Support costs include central functions that have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating staff costs by reference to an estimate of the overall time spent and other costs by their estimated usage. They include those costs incurred in the governance of the Charity and its assets, which are primarily associated with constitutional and statutory requirements.

Notes to the financial statements
for the year ended 31 October 2023

2 Accounting policies (continued)

2.7 Intangible assets and amortisation

Intangible assets costing £Nil or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

Amortisation is provided on the following basis:

| | |
|----------|-----------------------|
| Goodwill | 5 years straight line |
|----------|-----------------------|

2.8 Tangible fixed assets and depreciation

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Depreciation is provided on all tangible fixed assets, other than freehold land and assets in the course of reconstruction, at annual rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life, as follows:-

| | |
|--------------------------------------|-------------------------------|
| Permanent way, bridges and buildings | 2% / 10% straight line |
| Car park | 10% straight line |
| Railway locomotive and rolling stock | 2% / 10% straight line |
| Plant | 10% straight line |
| Furniture and equipment | 10% / 25% / 33% straight line |

The railway loco stock includes costs associated with work arising from ten year boiler inspections of locomotives on long term loan to the railway from third parties.

At each reporting date, the Charity reviews the carrying amounts of its tangible fixed assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

Recoverable amount is the higher of fair value less costs to sell and value in use.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Financial Activities.

Recognised impairment losses are reversed if the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised in the Statement of Financial Activities.

Notes to the financial statements
for the year ended 31 October 2023

2 Accounting policies (continued)

2.9 Heritage assets

Since April 2011 the Charity has held many thousands of papers and artefacts comprising the Colonel Stephens Railway Museum collection. The collection in existence at the date of transfer to the Charity is not recognised in the balance sheet as cost information is not readily available and the Trustees believe that the benefits of obtaining valuations for these items would not justify the cost. The vast majority of items in the collection were acquired by individuals on behalf of, and subsequently donated to, Colonel Stephens Railway Museum over a period of 30 years.

The Charity's management policy in respect of its heritage assets is summarised in Note 14. Individual heritage assets acquired after April 2011 and costing up to £1,000 (up to 31 December 2014 £500) or more have been capitalised. The capitalised cost is not subject to depreciation in view of the nature of the collection.

2.10 Investments

Investments in subsidiary and associate undertakings are recognised at cost less any provisions for impairment.

(i) Subsidiary undertakings

Investments in subsidiaries are valued at cost less provision for impairment.

(ii) Associated undertakings

Investments in associates are stated at the amount of the Company's share of net assets. The Statement of financial activities includes the Company's share of the associated companies' profits after taxation using the equity accounting basis.

2.11 Stocks

Stocks are valued at the lower of cost and net realisable value. Cost comprises direct costs of purchase that have been incurred in bringing the stock to its present location and condition.

2.12 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid.

2.13 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Notes to the financial statements
for the year ended 31 October 2023

2 Accounting policies (continued)

2.14 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated statement of financial activities as a finance cost.

2.15 Leasing and hire purchase

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risk and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance lease are recognised as assets at the lower of each asset's fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the Balance Sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the Statement of Financial Activities so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The Group has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into prior to the date of transition of the standard to continue to be charged over the period to the first market rent review rather than the term of the lease.

Notes to the financial statements
for the year ended 31 October 2023

2 Accounting policies (continued)

2.16 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

2.17 Taxation

The Kent and East Sussex Railway Company Limited is a registered charity and accordingly no provision is considered necessary for taxation.

2.18 Employee benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

The pension scheme cost charged in the period represents contributions payable by the Charity or its trading subsidiaries into individual stakeholder pension schemes.

Notes to the financial statements
for the year ended 31 October 2023

3 Critical accounting estimates and areas of judgement

In the application of the Charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from their sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

Critical judgements

The critical judgements that the trustees have made in the process of applying the Charity's policies that have the most significant effect on the amounts recognised in the statutory financial statements are discussed below.

Assessing indicators of impairment

In assessing whether there have been any indicators of impairment of assets, the trustees have considered both external and internal sources of information such as market conditions, counter-party credit ratings and experience of recoverability. There have been no material indicators of impairments identified during the current financial period.

Provision for dilapidations

No provision has been made for dilapidations on hired assets. This is on the basis that at the end of the year trustees had not been notified by any of the owners of the hired assets that they wished to terminate their agreements and, where applicable, therefore require the Charity to undertake repairs to put the hired asset back into its state of repair at the time it was first made available to the Charity.

While it is recognised that during the course of the operation of hired assets, wear and tear will occur, no provision is made because:

- the amount of any obligation cannot be estimated reliably; and
- it is more likely than not that the Charity will not be required to make payment to the hirers of the assets for dilapidations.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimating value in use

Where an indication of impairment exists the trustees will carry out an impairment review to determine the recoverable amount, which is the higher of fair value less cost to sell and value in use. The value in use calculation requires the trustees to estimate the future cash flows expected to arise from the asset and a suitable discount rate in order to calculate the present value.

**Notes to the financial statements
for the year ended 31 October 2023**

3 Critical accounting estimates and areas of judgement (continued)

Determining residual values and useful economic lives of tangible assets (property, plant and equipment)

The Charity depreciates tangible fixed assets over their estimated useful lives. The estimation of the useful lives of assets is based on historic performance as well as expectations about future use and therefore requires estimates and assumptions to be applied by management. The actual lives of these assets can vary depending on a variety of factors, including technological innovation and maintenance programmes.

Judgement is applied by management when determining the residual values for tangible fixed assets. When determining the residual value management aim to assess the amount that the Charity would currently obtain for the disposal of the asset, if it were already of the condition expected at the end of its useful economic life. Where possible this is done with reference to external market prices.

4 Financial activities of the Charity

| | Year Ended 31.10.2023 | Year Ended 31.10.2022 |
|---|----------------------------------|----------------------------------|
| | £ | £ |
| Gross income | 2,063,425 | 1,629,927 |
| Total expenditure on charitable activities | (1,938,590) | (1,848,487) |
| Cost of raising funds | (163,587) | (193,028) |
| Interest payable and similar charges (net of interest received) | (18,304) | (11,986) |
| Net income/(expenditure) | (57,056) | (423,574) |
| Total funds brought forward | 3,144,623 | 3,568,197 |
| Total funds carried forward | 3,087,567 | 3,144,623 |
| Represented by: | | |
| Restricted income funds | 1,614,644 | 1,515,785 |
| Unrestricted income funds | 1,472,923 | 1,628,838 |
| | 3,087,567 | 3,144,623 |

Notes to the financial statements
for the year ended 31 October 2023

5 Raising funds - commercial trading operations

The wholly-owned trading subsidiary, Colonel Stephens Railway Enterprises Limited, pays all of its profits to the Charity under a deed of covenant. A summary of its trading results is shown below:

| | Year Ended 31.10.2023 | Year Ended 31.10.2022 |
|--|----------------------------------|----------------------------------|
| | £ | £ |
| Summary of profit and loss account | | |
| Turnover | 721,768 | 577,965 |
| Cost of sales and administration expenses (including group recharges) | (644,041) | (539,385) |
| Net (loss)/profit | 77,727 | 38,580 |
| Payments to charity - deed of covenant | (63,226) | - |
| Retained in subsidiary | 14,501 | 38,580 |

Colonel Stephens Railway Enterprises Limited paid the Charity £200,920 in respect of train charter charges during the year (2022 - £189,140).

The assets and liabilities of the subsidiary were:

| | Year Ended 31.10.2023 | Year Ended 31.10.2022 |
|--|----------------------------------|----------------------------------|
| | £ | £ |
| Current assets | 152,535 | 136,078 |
| Creditors: amounts falling due within one year | (152,528) | (150,572) |
| Aggregate of share capital and reserves | 7 | (14,494) |

The Kent and East Sussex Railway Company Limited
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 October 2023

6 Income

| | Year Ended 31.10.2023 | Year Ended 31.10.2022 |
|-----------------------------------|--|--|
| | £ | £ |
| Unrestricted funds | | |
| Income from charitable activities | 1,426,013 | 1,106,820 |
| Donations | 41,922 | 27,360 |
| Legacies | 47,314 | 147,898 |
| Gift aid | 30,821 | 34,395 |
| Membership subscriptions | 45,761 | 39,627 |
| Government grants | - | - |
| Other grants | - | 20,867 |
| Other trading activities | 721,722 | 577,965 |
| Interest received | 784 | - |
| | 2,314,337 | 1,954,932 |
| Restricted funds | | |
| Donations | 124,973 | 62,387 |
| Other grants | 81,179 | - |
| | 2,520,489 | 2,017,319 |

Notes to the financial statements
for the year ended 31 October 2023

7 Analysis of expenditure on charitable activities

| | Year Ended 31.10.2023 Unrestricted funds £ | Year Ended 31.10.2023 Restricted funds £ | Year Ended 31.10.2023 Total funds £ |
|---|--|--|---|
| Locomotive and rolling stock operating expenses | 842,308 | 21,399 | 863,707 |
| Permanent way and building upkeep | 41,947 | - | 41,947 |
| Insurance costs | 62,486 | - | 62,486 |
| Rent and rates | 3,041 | - | 3,041 |
| Salaries and wages | 402,953 | - | 402,953 |
| Event expenses | 173,431 | - | 173,431 |
| Depreciation | 125,481 | 43,196 | 168,677 |
| Museum expenses | 15,380 | - | 15,380 |
| Support costs (note 8) | 169,933 | - | 169,933 |
| Governance costs (note 9) | 37,035 | - | 37,035 |
| | 1,873,995 | 64,595 | 1,938,590 |

| | Year Ended 31.10.2022 Unrestricted funds £ | Year Ended 31.10.2022 Restricted funds £ | Year Ended 31.10.2022 Total funds £ |
|---|--|--|---|
| Locomotive and rolling stock operating expenses | 709,298 | 13,371 | 722,669 |
| Permanent way and building upkeep | 73,759 | - | 73,759 |
| Insurance costs | 57,410 | - | 57,410 |
| Rent and rates | 4,828 | - | 4,828 |
| Salaries and wages | 497,359 | - | 497,359 |
| Event expenses | 107,153 | - | 107,153 |
| Depreciation | 96,981 | 43,009 | 139,990 |
| Museum expenses | 10,379 | - | 10,379 |
| Support costs (note 8) | 198,820 | - | 198,820 |
| Governance costs (note 9) | 36,120 | - | 36,120 |
| | 1,792,107 | 56,380 | 1,848,487 |

Notes to the financial statements
for the year ended 31 October 2023

8 Allocation of support costs

| | Year Ended 31.10.2023 Operation of railway £ | Year Ended 31.10.2023 Costs of raising funds £ | Year Ended 31.10.2023 Total funds £ |
|--|--|--|---|
| Administrative salaries etc. | 86,685 | 83,641 | 170,326 |
| Advertising and publicity | 33,480 | 33,480 | 66,960 |
| Telephone, postage and stationery | 6,260 | 6,260 | 12,520 |
| Membership, magazine printing and distribution | - | 16,090 | 16,090 |
| Office and other expenses | 15,315 | 15,315 | 30,630 |
| Training | 22,034 | - | 22,034 |
| Depreciation | 6,159 | 783 | 6,942 |
| | 169,933 | 155,569 | 325,502 |

| | Year Ended 31.10.2022 Operation of railway £ | Year Ended 31.10.2022 Costs of raising funds £ | Year Ended 31.10.2022 Total funds £ |
|--|--|--|---|
| Administrative salaries etc. | 80,131 | 77,316 | 157,447 |
| Advertising and publicity | 39,687 | 39,687 | 79,374 |
| Telephone, postage and stationery | 6,209 | 6,209 | 12,418 |
| Membership, magazine printing and distribution | - | 11,438 | 11,438 |
| Office and other expenses | 19,010 | 19,010 | 38,020 |
| Training | 17,940 | - | 17,940 |
| Depreciation | 4,643 | 590 | 5,233 |
| Provision for doubtful debts | 31,200 | 31,200 | 62,400 |
| | 198,820 | 185,450 | 384,270 |

Notes to the financial statements
for the year ended 31 October 2023

9 Governance costs

| | Year Ended 31.10.2023 Operation of railway £ | Year Ended 31.10.2023 Costs of raising funds £ | Year Ended 31.10.2023 Total funds £ |
|---|--|--|---|
| Audit fees | 5,347 | 5,347 | 10,694 |
| Legal and professional fees | 1,023 | 1,023 | 2,046 |
| Bank, loan and credit card fees and charges | 30,665 | 1,648 | 32,313 |
| | 37,035 | 8,018 | 45,053 |

| | Year Ended 31.10.2022 Operation of railway £ | Year Ended 31.10.2022 Costs of raising funds £ | Year Ended 31.10.2022 Total funds £ |
|---|--|--|---|
| Audit fees | 4,500 | 4,500 | 9,000 |
| Legal and professional fees | 1,404 | 1,404 | 2,808 |
| Bank, loan and credit card fees and charges | 30,216 | 1,674 | 31,890 |
| | 36,120 | 7,578 | 43,698 |

10 Interest payable and similar charges

| | Year Ended 31.10.2023 £ | Year Ended 31.10.2022 £ |
|--|-------------------------------|-------------------------------|
| Interest on bank loan repayable after more than five years | 18,304 | 11,986 |

Notes to the financial statements
for the year ended 31 October 2023

11 Staff costs

| | Group 2023 £ | Group 2022 £ | Company 2023 £ | Company 2022 £ |
|-----------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Wages and salaries | 669,098 | 701,855 | 532,194 | 592,453 |
| Social security costs | 41,804 | 60,920 | 31,238 | 51,825 |
| Other pension costs | 12,530 | 12,630 | 9,847 | 10,528 |
| | 723,432 | 775,405 | 573,279 | 654,806 |

The average number of full-time equivalents employed by the Group and Company during the year, excluding the Trustees, was:

| | 2023 No. | 2022 No. |
|--|---------------------|---------------------|
| Office, management and commercial | 22 | 18 |
| Maintenance, restoration and operation | 4 | 9 |
| | 26 | 27 |

The corresponding average monthly headcount expressed was:

| 2023 No. | 2022 No. |
|---------------------|---------------------|
| 43 | 37 |

No employee received remuneration equal to or in excess of the statutory maximum for disclosure of £60,000 in either year.

The Trustees received no remuneration or benefits in kind for the year ended 31 October 2023 (2022 - £Nil).

Expenses of £1,620 (2022 - £426) were reimbursed to 1 Trustees during the year (2022 - 2) for the reimbursement of purchases on behalf of the Charity's Museum.

The key management personnel of the Charity comprise the Trustees, the General Manager and other Managers. The total employee remuneration of the key management personnel of the Charity, including employer's national insurance contributions, for the year ended 31 October 2023 was £265,399 (2022 - £261,867).

Notes to the financial statements
for the year ended 31 October 2023

12 Retirement benefit schemes

Defined contribution schemes

The Charity pays into individual pension schemes for the benefit of employees. The assets of the schemes are held separately from those of the Charity in independently administered funds. The pension cost and charge represents contributions payable by the Charity to the funds and amounts to £12,530 (2022 - £12,630). At 31 October 2023 there were no outstanding pension contributions (2022 - £Nil).

13 Intangible assets

Group

| | Goodwill |
|-----------------------|-----------------|
| | £ |
| Cost | |
| At 1 November 2022 | 8,307 |
| At 31 October 2023 | 8,307 |
| Amortisation | |
| At 1 November 2022 | 6,644 |
| Charge for the year | 1,663 |
| At 31 October 2023 | 8,307 |
| Net book value | |
| At 31 October 2023 | - |
| At 31 October 2022 | 1,663 |

The Kent and East Sussex Railway Company Limited
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 October 2023

14 Tangible fixed assets

Group

| | Freehold land, permanent way, bridges & buildings £ | Railway locomotive and rolling stock (including) expenditure on hired items) £ | Plant £ | Furniture & equipment £ | Motor vehicles £ | Total £ |
|--------------------------|---|--|----------------|-------------------------------|------------------------|------------------|
| Cost or valuation | | | | | | |
| At 1 November 2022 | 3,550,884 | 2,241,385 | 294,274 | 196,047 | 6,470 | 6,289,060 |
| Additions | 93,840 | 91,292 | - | 5,872 | - | 191,004 |
| Disposals | - | - | - | - | (5,370) | (5,370) |
| At 31 October 2023 | 3,644,724 | 2,332,677 | 294,274 | 201,919 | 1,100 | 6,474,694 |
| Depreciation | | | | | | |
| At 1 November 2022 | 1,538,629 | 1,042,910 | 221,317 | 177,181 | 1,705 | 2,981,742 |
| Charge for the year | 84,740 | 67,838 | 10,608 | 6,943 | 275 | 170,404 |
| Depreciation on disposal | - | - | - | - | (1,567) | (1,567) |
| At 31 October 2023 | 1,623,369 | 1,110,748 | 231,925 | 184,124 | 413 | 3,150,579 |
| Net book value | | | | | | |
| At 31 October 2023 | 2,021,355 | 1,221,929 | 62,349 | 17,795 | 687 | 3,324,115 |
| At 31 October 2022 | 2,012,255 | 1,198,475 | 72,957 | 18,866 | 4,765 | 3,307,318 |

Notes to the financial statements
for the year ended 31 October 2023

14 Tangible fixed assets (continued)

Charity

| | Freehold land, permanent way, bridges & buildings £ | Railway locomotive and rolling stock (including) expenditure on hired items) £ | Plant £ | Furniture & equipment £ | Motor vehicles £ | Total £ |
|---------------------------|---|--|----------------|-------------------------------|------------------------|------------------|
| Cost or valuation | | | | | | |
| At 1 November 2022 | 3,640,333 | 1,991,385 | 294,274 | 196,047 | 6,470 | 6,128,509 |
| Additions | 93,840 | 91,292 | - | 5,872 | - | 191,004 |
| Disposals | - | - | - | - | (5,370) | (5,370) |
| At 31 October 2023 | 3,734,173 | 2,082,677 | 294,274 | 201,919 | 1,100 | 6,314,143 |
| Depreciation | | | | | | |
| At 1 November 2022 | 1,579,478 | 1,042,910 | 221,317 | 177,181 | 1,705 | 3,022,591 |
| Charge for the year | 86,529 | 67,838 | 10,608 | 6,943 | 275 | 172,193 |
| Depreciation on disposals | - | - | - | - | (1,567) | (1,567) |
| At 31 October 2023 | 1,666,007 | 1,110,748 | 231,925 | 184,124 | 413 | 3,193,217 |
| Net book value | | | | | | |
| At 31 October 2023 | 2,068,166 | 971,929 | 62,349 | 17,795 | 687 | 3,120,926 |
| At 31 October 2022 | 2,060,855 | 948,475 | 72,957 | 18,866 | 4,765 | 3,105,918 |

Notes to the financial statements
for the year ended 31 October 2023

14 Tangible fixed assets (continued)

Heritage assets

The Charity has, since April 2011, been entrusted with the papers and artefacts comprising the Colonel Stephens Railway Museum collection. No value is, however, recognised in the balance sheet in respect of the collection in existence at the date of transfer to the Charity, as explained in note 2.9. A member of the Board who is appointed by the Board on an annual basis administers this collection. The museum had 13,768 visitors during the year.

Funding for further acquisitions will come from donations. The Museum will continue to dispose of donated goods, which have no relevance to the collection (principally books) to help fund its operations. The Museum committee has delegated powers to use these funds to acquire significant items that will enhance the collection.

Cost of the museum collection:

| | £ |
|--|----------------------|
| At 1 November 2022 and 31 October 2023 | <u>16,511</u> |

Summary analysis of heritage asset transactions in excess of £1,000 (£500 prior to 1 January 2015):

| | 31.10.2023 | 31.10.2022 | 31.10.2021 | 31.10.2020 | 31.10.2019 | 31.10.2018 |
|-------------------|-------------------|------------|------------|------------|------------|--------------|
| | £ | £ | £ | £ | | £ |
| Purchases at cost | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,300</u> |

Notes to the financial statements
for the year ended 31 October 2023

15 Fixed asset investments

| Group | Investments in associates £ |
|------------------------------------|--|
| Market value | |
| At 1 November 2022 | 12,799 |
| Share of associates profit /(loss) | 555 |
| At 31 October 2023 | <u>13,354</u> |
| Historical cost | <u>10,000</u> |

The investment costing £13,354 (2022 - £12,799) represents the fair value of the Company's investment in Kent and East Sussex Railway Adventures Company Limited comprising 40 (2022 - 40) ordinary shares.

Subsidiaries

i). The wholly-owned trading subsidiary, Colonel Stephens Railway Enterprises Limited, which is incorporated in England, pays all its profits to the Charity by deed of covenant. Colonel Stephens Railway Enterprises Limited operates the Wealden Pullman and other dining trains, the buffet and other catering facilities, the book and gift shop, and all commercial trading operations carried on by the group.

ii). Robertsbridge 20/20 Limited, which is incorporated in England, continues to be dormant. The investment cost is shown as £1.

iii). The investment costing £135,843 (2022 - £135,843) represents the Company's investment in 6619 Limited comprising 2,058 (2022 - 2,058) ordinary shares, which represents a 51% (2022 - 51%) interest. This company owns a former GWR locomotive with the same number.

Associates

i). Tenterden Railway Company Limited, the Company formerly known as The Kent & East Sussex Railway Company Limited, a company limited by guarantee and incorporated in England, also continues to be dormant. The investment cost is shown as £7.

Notes to the financial statements
for the year ended 31 October 2023

15 Fixed asset investments (continued)

| Company | Shares in group undertakings £ | Investments in participating interests £ | Total £ |
|------------------------------------|--------------------------------------|---|--------------------|
| Market value | | | |
| At 1 November 2022 | 135,851 | 12,799 | 148,650 |
| Share of associates profit /(loss) | - | 555 | 555 |
| At 31 October 2023 | 135,851 | 13,354 | 149,205 |
| Historical cost | 135,851 | 10,000 | 145,851 |

16 Stocks

| | Group 2023 £ | Group 2022 £ | Company 2023 £ | Company 2022 £ |
|------------------|--------------------|--------------------|----------------------|----------------------|
| Goods for resale | 33,517 | 32,729 | - | - |

17 Debtors

| | Group 2023 £ | Group 2022 £ | Company 2023 £ | Company 2022 £ |
|------------------------------------|--------------------|--------------------|----------------------|----------------------|
| Trade debtors | 1,964 | 4,917 | - | 3,940 |
| Amounts owed by group undertakings | - | - | 27,988 | 66,521 |
| VAT and gift aid | 2,396 | 23,469 | 8,663 | 23,469 |
| Prepayments and accrued income | 104,358 | 106,220 | 101,633 | 103,036 |
| | 108,718 | 134,606 | 138,284 | 196,966 |

Notes to the financial statements
for the year ended 31 October 2023

18 Creditors: amounts falling due within one year

| | Group 2023 £ | Group 2022 £ | Company 2023 £ | Company 2022 £ |
|------------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Bank loans and overdrafts | 49,989 | 48,709 | 49,793 | 48,709 |
| Trade creditors | 140,982 | 155,415 | 130,309 | 142,993 |
| Other taxation and social security | - | 6,021 | - | - |
| Accruals and deferred income | 558,551 | 652,324 | 450,914 | 586,716 |
| | 749,522 | 862,469 | 631,016 | 778,418 |

| | Group 2023 £ | Group 2022 £ | Company 2023 £ | Company 2022 £ |
|--|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Deferred income | | | | |
| Deferred income at 1 November 2022 | 624,749 | 454,106 | 568,236 | 396,685 |
| Resources deferred during the year | 509,988 | 624,749 | 413,080 | 568,236 |
| Amounts released from previous periods | (624,749) | (454,106) | (568,236) | (396,685) |
| Deferred income at 31 October 2023 | 509,988 | 624,749 | 413,080 | 568,236 |

Notes to the financial statements
for the year ended 31 October 2023

19 Creditors: amounts falling due after more than one year

| | Group 2023 £ | Group 2022 £ | Company 2023 £ | Company 2022 £ |
|------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Bank loans | 199,235 | 248,451 | 199,235 | 248,451 |

Included within the above are amounts falling due as follows:

| | Group 2023 £ | Group 2022 £ | Company 2023 £ | Company 2022 £ |
|---------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Due in two to five years | | | | |
| Bank loans | 199,235 | 208,675 | 199,235 | 208,675 |
| Over five years | | | | |
| Bank loans | - | 39,776 | - | 39,776 |

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

| | Group 2023 £ | Group 2022 £ | Company 2023 £ | Company 2022 £ |
|--------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Repayable by instalments | - | 39,776 | - | 39,776 |

The current portion of the secured loan amounts to £39,888 (2022 - £38,809) and this is included under creditors falling due within one year. The CAF Bank loan which commenced in August 2013 is repayable in monthly instalments of £4,735 (at year end date), and interest is charged at a rate of 3.0% per annum over bank base rate. The total outstanding loan balance due to CAF Bank at 31 October 2023 amounted to £222,690.

All property of the Charity is subject to either a fixed or floating charge in favour of CAF Bank Limited as security for the bank loan.

The Statement of Recommended Practice requires disclosure of the amount of the secured loans as a proportion of the value of the assets charged. However, in the opinion of the Trustees, obtaining an up-to-date version of these assets would not provide benefits commensurate with the costs involved.

20 Non-controlling interests

| | 2023 £ |
|--|-------------------|
| At 1 November 2022 | 122,546 |
| Non-controlling interests recognised in the year | (120) |
| At 31 October 2023 | 122,426 |

Notes to the financial statements
for the year ended 31 October 2023

21 Restricted funds - group and company - 2023

The income funds of the group include restricted funds arising from grants, donations etc. received for specific purposes. The movements during the year were as follows:

| | Balance at 01.11.2022 | Income | Expenditure | Transfers in/(out) | Balance at 31.10.2023 |
|-------------------------|----------------------------------|----------------|--------------------|-------------------------------|----------------------------------|
| | £ | £ | £ | £ | £ |
| Bodiam extension | 713,435 | - | (26,181) | - | 687,254 |
| Rolvenden carriage shed | 420,623 | - | (9,338) | - | 411,285 |
| 6619 Limited | 13,414 | - | - | - | 13,414 |
| Aries Pullman Car | 76,815 | 130 | - | - | 76,945 |
| Terrier 150 | - | 945 | (789) | - | 156 |
| Other projects | 291,498 | 205,077 | (28,287) | (42,698) | 425,590 |
| | 1,515,785 | 206,152 | (64,595) | (42,698) | 1,614,644 |

The funds for other projects relate to grants and donations in respect of work for individual projects of restoration and improvement of rolling stock and infrastructure.

The movements in the major restricted fund cash balances, which form part of the 'Other projects' fund, are analysed as follows:

| | Balance at 01.11.2022 | Income | Expenditure | Transfers in/(out) | Balance at 31.10.2023 |
|---------------------------------------|----------------------------------|----------------|--------------------|-------------------------------|----------------------------------|
| | £ | £ | £ | £ | £ |
| Aries Pullman Car | 23,271 | 130 | - | - | 23,401 |
| Cavell Van | 9,143 | 610 | - | - | 9,753 |
| GWR Railcar Appeal | 26,815 | 64,115 | (42,698) | - | 48,232 |
| Kit Kat Van | 2,226 | - | - | - | 2,226 |
| Museum - Miller legacy and general | 39,751 | 100 | - | - | 39,851 |
| Pullman Donations | 55,062 | 11,482 | - | - | 66,544 |
| Ready for Robertsbridge | 24,823 | 600 | - | - | 25,423 |
| Environmental Sustainability Funds | - | 24,450 | - | - | 24,450 |
| Heritage Buildings | - | 36,473 | (9,367) | - | 27,106 |
| Knowle Restoration Fund | - | 10,000 | - | - | 10,000 |
| | 181,091 | 147,960 | (52,065) | - | 276,986 |

Notes to the financial statements
for the year ended 31 October 2023

Restricted funds - group and company - 2022

The income funds of the group include restricted funds arising from grants, donations etc. received for specific purposes. The movements during the year were as follows:

| | Balance at 01.11.2021 £ | Income £ | Expenditure £ | Transfers in/(out) £ | Balance at 31.10.2022 £ |
|-------------------------|-------------------------------|---------------|------------------|----------------------------|-------------------------------|
| Bodiam extension | 739,616 | - | (26,181) | - | 713,435 |
| Rolvenden carriage shed | 429,961 | - | (9,338) | - | 420,623 |
| 6619 Limited | 13,617 | - | - | (203) | 13,414 |
| Aries Pullman Car | 76,665 | 150 | - | - | 76,815 |
| Terrier 150 | 52,635 | 11,705 | (11,195) | (53,145) | - |
| Other projects | 271,151 | 50,532 | (9,666) | (20,519) | 291,498 |
| | 1,583,645 | 62,387 | (56,380) | (73,867) | 1,515,785 |

The funds for other projects relate to grants and donations in respect of work for individual projects of restoration and improvement of rolling stock and infrastructure. The balance at 31 October 2022, amounting to £291,498 includes unspent cash balances of £184,886.

22 Unrestricted funds - 2023

| | Group 2023 £ | Company 2023 £ |
|---------------------------------|-----------------------------|-------------------------------|
| <i>General funds</i> | | |
| At 1 November 2022 | 1,626,760 | 1,573,994 |
| Surplus for the year | (209,631) | (223,977) |
| Transfers in | 31,678 | 31,678 |
| At 31 October 2023 | 1,448,807 | 1,381,695 |
| <i>Designated funds</i> | | |
| At 1 November 2022 | 54,845 | 54,844 |
| Surplus for the year | 25,364 | 25,364 |
| Transfers in | 11,020 | 11,020 |
| At 31 October 2023 | 91,229 | 91,228 |
| <i>Non-controlling interest</i> | | |
| At 1 November 2022 | (122,546) | - |
| Movement in the year | 120 | - |
| At 31 October 2023 | (122,426) | - |
| Total | 1,417,610 | 1,472,923 |

The funds held by non-controlling minority interests, are all in respect of the investment in 6619 Limited.

The Kent and East Sussex Railway Company Limited
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 October 2023

Unrestricted funds - 2022

| | Group 2022 £ | Company 2022 £ |
|---------------------------------|--------------------|----------------------|
| <i>General funds</i> | | |
| At 1 November 2021 | 1,947,374 | 1,933,303 |
| Surplus for the year | (394,481) | (433,176) |
| Transfers in | 73,867 | 73,867 |
| At 31 October 2022 | 1,626,760 | 1,573,994 |
| <i>Designated funds</i> | | |
| At 1 November 2021 | 51,250 | 51,249 |
| Surplus for the year | 3,595 | 3,595 |
| At 31 October 2022 | 54,845 | 54,844 |
| <i>Non-controlling interest</i> | | |
| At 1 November 2021 | (122,552) | - |
| Movement in the year | 6 | - |
| At 31 October 2022 | (122,546) | - |
| Total | 1,559,059 | 1,628,838 |

The movements in the unrestricted designated fund cash balances are analysed as follows:

| | Cash balance at 01.11.2022 £ | Cash received £ | Cash spent other expenses £ | Cash balance at 31.10.2023 £ |
|---------------|---------------------------------------|-----------------------|--------------------------------------|---------------------------------------|
| Museum | 49,507 | 39,982 | (3,598) | 85,891 |
| C&W extension | 5,338 | - | - | 5,338 |
| | 54,845 | 39,982 | (3,598) | 91,229 |

The movements in the 2022 unrestricted designated fund cash balances are analysed as follows:

| | Cash balance at 01.11.2021 £ | Cash received £ | Cash spent other expenses £ | Cash balance at 31.10.2022 £ |
|---------------|---------------------------------------|-----------------------|--------------------------------------|---------------------------------------|
| Museum | 45,912 | 4,500 | (905) | 49,507 |
| C&W extension | 5,338 | - | - | 5,338 |
| | 51,250 | 4,500 | (905) | 54,845 |

Notes to the financial statements
for the year ended 31 October 2023

23 Analysis of net assets between funds

Analysis of net assets between funds - current year:

| | Unrestricted funds 2023 £ | Restricted funds 2023 £ | Total funds 2023 £ |
|-------------------------------------|------------------------------------|----------------------------------|-----------------------------|
| Intangible fixed assets | - | - | - |
| Tangible fixed assets | 1,990,936 | 1,333,179 | 3,324,115 |
| Heritage assets | - | 16,511 | 16,511 |
| Fixed asset investments | - | 13,354 | 13,354 |
| Current assets | 497,857 | 251,600 | 749,457 |
| Creditors due within one year | (749,522) | - | (749,522) |
| Creditors due in more than one year | (199,235) | - | (199,235) |
| | 1,540,036 | 1,614,644 | 3,154,680 |

Analysis of net assets between funds - prior year:

| | Unrestricted funds 2022 £ | Restricted funds 2022 £ | Total funds 2022 £ |
|-------------------------------------|------------------------------------|----------------------------------|-----------------------------|
| Intangible fixed assets | 1,663 | - | 1,663 |
| Tangible fixed assets | 1,951,171 | 1,356,147 | 3,307,318 |
| Heritage assets | - | 16,511 | 16,511 |
| Fixed asset investments | - | 12,799 | 12,799 |
| Current assets | 839,691 | 130,328 | 970,019 |
| Creditors due within one year | (862,469) | - | (862,469) |
| Creditors due in more than one year | (248,451) | - | (248,451) |
| | 1,681,605 | 1,515,785 | 3,197,390 |

Notes to the financial statements
for the year ended 31 October 2023

24 Related party transactions

- i). The Charity as a mutual body receives annual subscriptions from its members.
- ii). G A Crouch has personal interests in certain items of locomotive and rolling stock, which are made available to the Charity and, in consideration, are maintained by the Charity.
- iii). G A Crouch, I C Legg, S A Marsh, P D Shaw and N D Sime are members or shareholders of organisations which own certain items of locomotive, rolling stock and other equipment, which are made available to the Charity, and in consideration, are maintained by the Charity.
- iv). The Charity is a member of The Terrier Trust CIO and has a 25% interest in the Terrier locomotive 'Bodiam' owned jointly by the Trust which has been included in fixed assets. D J Nibloe, P E Vidler, R M White and M J Hyner are also members of The Terrier Trust CIO and in addition D J Nibloe and M J Hyner are Trustees of that Trust.
- v). M J Hyner was a Director of 6619 Limited (resigned from 6619 Limited on 7 November 2022) and N D Sime is a Director of the same company (appointed 14 December 2022), a company that the Charity has a 51% controlling interest of, which owns a locomotive which is made available to the Charity. J Cobbett, the company secretary, is secretary of 6619 Limited.
- vi). Due to the close relationship the Charity has with its trading subsidiary, Colonel Stephens Railway Enterprises Limited, there are inter-company transactions undertaken within the ordinary course of business.
- vii). The charity paid the Herdman Association, £96 for the hire of space for a board meeting. D J Nibloe has significant influence over this entity.
- viii). The Trustees made donations to the Charity during the year.

25 Operating lease commitments

As at 31 October 2023 the Group and the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

| | 2023 | 2022 |
|--|---------------|-------|
| | £ | £ |
| Not later than 1 year | 8,610 | 5,287 |
| Later than 1 year and not later than 5 years | 10,794 | 3,494 |
| | 19,404 | 8,781 |

Notes to the financial statements
for the year ended 31 October 2023

26 Reconciliation of net movement in funds to net cash flow from operating activities

| | Group 2023 £ | Group 2022 £ |
|--|-----------------------------|-----------------------------|
| Net income/(expenditure) for the year (as per Statement of financial activities) | (42,710) | (384,879) |
| | - | |
| Adjustments for: | | |
| Depreciation charges | 170,404 | 143,433 |
| Loss on disposal of fixed assets | 3,803 | - |
| Amortisation charges | 1,663 | 1,661 |
| Share of associate (profit) / loss | (555) | (1,433) |
| (Increase) in stocks | (788) | (9,976) |
| Decrease in debtors | 25,888 | 21,058 |
| Increase in creditors | (114,227) | 172,950 |
| Net cash provided by operating activities | 43,478 | (57,186) |

27 Analysis of cash and cash equivalents

| | Group 2023 £ | Group 2022 £ |
|---------------------|-----------------------------|-----------------------------|
| Cash in hand | 607,222 | 802,684 |

28 Contingent liabilities

The Company is grateful to have had the beneficial use of a number of locomotives from private owners, typically over a ten-year period. The Company's obligation has been to restore the locomotives to their pre-agreement condition within a defined period at the end of the agreements. Some of these locomotives remain out of use following the expiry of the agreements without the necessary repairs having been commenced or carried out.

It is the intention of the company to restore all locomotives under hire agreements, to the appropriate condition as soon as facilities and finances permit. Due to the uncertain timing of when works can be done and current supply chain issues , it is not possible to quantify the amounts involved.

The Kent and East Sussex Railway Company Limited

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Notes to the financial statements for the year ended 31 October 2023

29. Principal subsidiaries and associates

The principal subsidiaries of the Charity were:

| Names | Company number | Registered office or principal place of business | Principal activity | Class of shares | Holding | Included in consolidation |
|--|-----------------------|---|--|------------------------|----------------|----------------------------------|
| Colonel Stephens Railway Enterprises Limited | 02668156 | Tenterden Town Station, Tenterden, Kent, TN30 6HE | The provision of catering services and a small gift shop, on behalf of its parent company. | Ordinary | 100% | Yes |
| Robertsbridge 20/20 Limited | 03838535 | Tenterden Town Station, Station Road, Tenterden, Kent, TN30 6HE | Dormant | Ordinary | 100% | Yes |
| 6619 Limited | 08012491 | Tenterden Town Station, Station Road, Tenterden, Kent, TN30 6HE | The restoration of the 6619 Locomotive | Ordinary | 51% | Yes |

The financial results of the subsidiaries for the year were:

| Names | Income £ | Expenditure £ | Profit/(Loss)/ Surplus/ (Deficit) for the year £ | Net assets £ |
|--|---------------------|--------------------------|---|-------------------------|
| Colonel Stephens Railway Enterprises Limited | 721,722 | (707,221) | 14,501 | 7 |
| Robertsbridge 20/20 Limited | - | - | - | 1 |
| 6619 Limited | - | (245) | (245) | 249,803 |

The following was an associate of the Charity:

| Name | Fair value of investment at 31 October 2023 £ | Registered office or principal place of business | Class of shares | Holding |
|---|--|---|------------------------|----------------|
| Kent and East Sussex Railway Adventures Company Limited | 13,354 | Rolvenden Layne, TN17 4NL | Ordinary | 20% |

The Kent & East Sussex Railway Company Limited
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Consolidated detailed Income and Expenditure Account
for the year ended 31 October 2023

| | Parent Company | Designated Funds | Colonel Stephens | Intra-Group Transactions | Total 2023 | Total 2022 |
|---|-------------------|---------------------|---------------------|-----------------------------|------------------|------------------|
| Income before legacies: | | | | | | |
| Fares and donations to travel | 1,065,346 | - | - | (200,920) | 864,426 | 655,067 |
| Santa Special receipts | 506,703 | - | - | - | 506,703 | 322,796 |
| Membership subscriptions | 45,761 | - | - | - | 45,761 | 39,627 |
| Donations | 89,146 | 39,982 | - | (63,226) | 65,902 | 89,747 |
| Gift aid | 30,821 | - | - | - | 30,821 | 34,395 |
| Gift cards write off | 42,786 | - | - | - | 42,786 | - |
| Wealden Pullman | - | - | 352,277 | - | 352,277 | 288,771 |
| Gift shop takings | - | - | 73,455 | - | 73,455 | 66,659 |
| Buffet and catering | - | - | 281,186 | - | 281,186 | 212,058 |
| Railway Experience Days | - | - | 14,804 | - | 14,804 | 10,477 |
| Hire of locomotive | 2,000 | - | - | - | 2,000 | 6,175 |
| Rental income | 12,220 | - | - | - | 12,220 | 13,000 |
| Sundry income | 61,842 | - | - | - | 61,842 | 36,094 |
| Other grants | 42,450 | - | - | - | 42,450 | 16,867 |
| Government support | 38,729 | - | - | - | 38,729 | 4,000 |
| | 1,937,804 | 39,982 | 721,722 | (264,146) | 2,435,362 | 1,795,733 |
| Covenant from subsidiary | - | - | - | - | - | - |
| | 1,937,804 | 39,982 | 721,722 | (264,146) | 2,435,362 | 1,795,733 |
| Direct operating expenses | 1,800,354 | 3,598 | 410,493 | - | 2,214,445 | 1,998,478 |
| Train charter costs | - | - | 200,920 | (200,920) | - | - |
| Administration expenses | 126,203 | - | 95,854 | (62,947) | 159,110 | 175,553 |
| Finance charges (net of interest received) | 18,304 | - | (46) | - | 18,258 | 11,986 |
| Depreciation | 130,432 | - | - | (126) | 130,306 | 100,425 |
| | 2,075,293 | 3,598 | 707,221 | (263,993) | 2,522,119 | 2,286,442 |
| (Deficit) / surplus before legacy income | (137,489) | 36,384 | 14,501 | (153) | (86,757) | (490,709) |
| Add: legacy income | 47,314 | - | - | - | 47,314 | 147,898 |
| Share of associates profit / (loss) | 555 | - | - | - | 555 | 5 |
| Total (deficit) / surplus for the year | (89,620) | 36,384 | 14,501 | (153) | (38,888) | (342,806) |

The Kent & East Sussex Railway Company Limited
(A company limited by guarantee)

Detailed Income and Expenditure Account
for the year ended 31 October 2023

| | Schedules | Total 2023 | Total 2022 |
|---|------------------|-------------------|-------------------|
| Income before legacies: | | | |
| Fares and donations to travel | | 1,065,346 | 977,967 |
| Santa Special receipts | | 506,703 | 322,796 |
| Membership subscriptions (including life) | | 45,761 | 39,627 |
| Donations | | 89,146 | 85,247 |
| Gift aid | | 30,821 | 34,395 |
| Gift cards write off | | 42,786 | - |
| Filming income | | - | 2,042 |
| Sundry income | | 61,842 | 34,052 |
| Rental income | | 12,220 | 13,000 |
| Government support | | 38,729 | 4,000 |
| Other grants | | 42,450 | 16,867 |
| Hire of locomotives | | 2,000 | 6,175 |
| Enterprises Limited - covenanted profits | | - | - |
| | | 1,937,804 | 1,536,168 |
| Direct operating expenses | 1 | 1,800,354 | 1,672,438 |
| Administration expenses | 3 | 126,203 | 150,416 |
| Finance charges | 4 | 18,304 | 11,986 |
| Depreciation and amortisation | 5 | 130,432 | 100,553 |
| | | 2,075,293 | 1,935,393 |
| Surplus/(deficit) before legacy income | | (137,489) | (399,225) |
| Add: legacy income | | 47,314 | 147,898 |
| Total surplus/(deficit) for the year | | (90,175) | (251,327) |

Schedules to the detailed Income and Expenditure Account
for the year ended 31 October 2023

| | Total 2023 | Total 2022 |
|---|------------------|------------------|
| 1. Direct operating expenses | | |
| Cost, fuel, oil and water | 235,143 | 174,846 |
| Hire of locomotives | 193,717 | 133,559 |
| Operating department expenses | 19,990 | 17,215 |
| Signals and telegraph expenses | 4,424 | 3,619 |
| Permanent way and civil engineering expenditure | 37,458 | 70,140 |
| Forestry and conservation | 11,091 | 7,211 |
| Loco department costs | 122,856 | 135,877 |
| Carriage and wagon departments costs | 74,166 | 63,813 |
| Rent & rates | 3,041 | 4,828 |
| Repair and maintenance of buildings | 60,393 | 75,879 |
| JCB Lease Hire | 16,523 | 16,262 |
| Electricity and power | 105,515 | 60,830 |
| Cleaning | 24,381 | 22,901 |
| Insurance | 62,486 | 57,410 |
| Wages, national insurance and pension | 573,279 | 654,806 |
| Advertising and publicity | 67,080 | 55,709 |
| Event expenses: | | |
| Santa and Day Out with Thomas | 143,507 | 87,824 |
| Other | 29,924 | 19,330 |
| | 173,431 | 107,154 |
| Museum overheads | 15,380 | 10,379 |
| | 1,800,354 | 1,672,438 |
| 2. Train Charter costs | | |
| The Company has reviewed its charter charges to Colonel Stephens Railway Enterprises Ltd. The charge per train is now £2,000 for each of the 105 trains rostered. This is considered to be fair and reasonable. | | |
| 3. Administration expenses | | |
| Audit | 10,693 | 9,000 |
| Telephone, postage and stationery | 12,519 | 12,418 |
| Membership, magazine printing and distribution expenses | 16,091 | 11,439 |
| Legal and professional fees | 2,045 | 2,807 |
| Training and personnel costs | 22,034 | 17,940 |
| Office and other expenses | 9,785 | 37,396 |
| Computer expenses | 20,723 | 27,526 |
| Bank charges | 3,296 | 3,348 |
| Credit card charges | 29,017 | 28,542 |
| | 126,203 | 150,416 |
| 4. Finance charges | | |
| Bank loan interest | 18,304 | 11,986 |
| 5. Depreciation and amortisation | | |
| Charge for the period (gross of eliminating adjustment) | 175,291 | 145,223 |
| Goodwill amortisation | (1,663) | (1,661) |
| Less: amortisation of capital grants and donations received in | (43,196) | (43,009) |
| | 130,432 | 100,553 |

The Kent & East Sussex Railway Company Limited
(A company limited by guarantee)

Colonel Stephens Railway Enterprises Limited
Balance sheet
As at 31 October 2023

| | Year ended 31/10/2023 | Year ended 31/10/2022 |
|---|--------------------------|--------------------------|
| Current assets | | |
| Stock | 33,517 | 32,729 |
| Trade debtors | 1,964 | 977 |
| Other debtors | 2,725 | 3,184 |
| Cash at bank and in hand | 114,329 | 99,188 |
| | <u>152,535</u> | <u>136,078</u> |
| Creditors: amounts falling due within one year | | |
| Trade creditors | 10,672 | 12,422 |
| Amounts owed to group undertakings | 27,988 | 66,521 |
| Other taxation and social security | 6,267 | 6,021 |
| Accruals and deferred income | 107,601 | 65,608 |
| | <u>(152,528)</u> | <u>(150,572)</u> |
| Net (liabilities)/assets | <u>7</u> | <u>(14,494)</u> |
| Capital and reserves | | |
| Called up share capital | 7 | 7 |
| Profit and loss account | - | (14,501) |
| Shareholders funds | <u>7</u> | <u>(14,494)</u> |

The Kent & East Sussex Railway Company Limited
(A company limited by guarantee)

Colonel Stephens Railway Enterprises Limited
Trading and profit and loss account
For the year ended 31 October 2023

| | | Year ended 31/10/2023 | Year ended 31/10/2022 |
|--|---|--------------------------|--------------------------|
| Sales | 1 | 721,722 | 577,965 |
| Less: cost of sales | 2 | 611,413 | 514,275 |
| Gross trading profit/(loss) | | <u>110,309</u> | <u>63,690</u> |
| Less: Overhead expenses | | | |
| Audit | | 10,693 | 9,000 |
| Accountancy | | 1,600 | - |
| Repairs and maintenance | | 9,312 | 5,251 |
| Light and heat | | 3,275 | 3,144 |
| Printing, postage and stationery | | 50 | 57 |
| Credit card charges | | 6,887 | 6,898 |
| Bank charges | | 811 | 760 |
| | | <u>32,628</u> | <u>25,110</u> |
| Plus: interest received | | 46 | - |
| Net profit/(loss) before charitable donation | | <u>77,727</u> | <u>38,580</u> |
| Less: charitable donation | | (63,226) | - |
| Net profit/(loss) | | <u><u>14,501</u></u> | <u><u>38,580</u></u> |

Schedules to the trading and profit and loss account
For the year ended 31 October 2023

| | Year ended 31/10/2023 | Year ended 31/10/2022 |
|--|--------------------------|--------------------------|
| 1. Sales | | |
| Wealden Pullman and Sunday lunches | 352,277 | 288,771 |
| Gift shop takings | 73,455 | 66,659 |
| Buffet and catering | 281,186 | 212,058 |
| Railway Experience Days | 14,804 | 10,477 |
| | <u>721,722</u> | <u>577,965</u> |
| 2. Costs of sales | | |
| Wealden Pullman purchases and expenses | 84,219 | 77,615 |
| Gift shop purchases and expenses | 55,818 | 26,439 |
| Buffet purchases and expenses | 117,556 | 99,605 |
| Train charter costs and fares | 200,920 | 189,140 |
| Wages and national insurance | 147,470 | 118,497 |
| Staff pension scheme costs | 2,683 | 2,102 |
| Consumable tools | 2,747 | 877 |
| | <u>611,413</u> | <u>514,275</u> |