

EAST SOMERSET RAILWAY CO LTD

England & Wales · Charity number 271589

Details

Status Registered

Legal form Charitable company

Company number [01261079](#)

Registered 1976-07-14

Register [View on the Charity Commission register](#)

Contact

Address East Somerset Railway
Cranmore Station
BA4 4QP

Phone 07941 978803

Email info@eastsomersetrailway.com

Website www.eastsomersetrailway.com

Activities

Objects: TO PRESERVE, OPERATE AND EXHIBIT FOR THE PUBLIC BENEFIT FOR EDUCATIONAL AND INSTRUCTIONAL PURPOSES AND TO STIMULATE AND ENCOURAGE INTEREST IN STEAM AND OTHER RAILWAY LOCOMOTIVES AND ROLLING STOCK MACHINERY AND EQUIPMENT OF HISTORICAL INTEREST. (FOR DETAILS, SEE CLAUSE 3 OF MEMORANDUM OF ASSOCIATION).

Activities: Preservation and operation of a heritage steam railway.

Classification

- **How:** Provides Services
- **What:** Education/training, Environment/conservation/heritage
- **Who:** The General Public/mankind

Geography

- Somerset

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£611,072	£516,951	£760,337	5
2023-12-31	£627,726	£537,140	£715,250	7
2022-12-31	£480,620	£524,619	-	-
2021-12-31	£353,146	£391,868	£668,663	7
2020-12-31	£322,953	£322,155	-	-

Trustees

Name	Role	Appointed
Daemon Marcus John Marston-Grimley	Chair	2025-11-29
COLIN ROGER COOKE		
Christopher Hopkins		2015-06-01
Derek Sharp		2018-03-09
Elaine Lavender		2023-05-29
Gordon William Fry		2025-11-29
Keith Richard Marshall		2025-11-29
Nicholas John Dixon		2023-05-29

EAST SOMERSET RAILWAY CO LTD

England & Wales - Charity number 271589

Accounts

Charity registration number 271589 (England and Wales)

Company registration number 01261079

EAST SOMERSET RAILWAY COMPANY LIMITED

ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

OLD M[•]LL

EAST SOMERSET RAILWAY COMPANY LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	R C Masters C R Cooke C E Hopkins D R Sharp E Lavender N J Dixon W Carr (Appointed 22 September 2025)
Secretary	A Jepson
Charity number (England and Wales)	271589
Company number	01261079
Registered office	Cranmore Railway Station Cranmore SHEPTON MALLET Somerset BA4 4QP
Independent examiner	Old Mill Accountancy Limited Bishopbrook House Cathedral Avenue WELLS Somerset BA5 1FD
Bankers	Lloyds TSB 24 - 26 High Street WELLS Somerset BA5 2SI
Solicitors	Chubb Bulleid Limited 7 Market Place WELLS Somerset BA5 2RJ

EAST SOMERSET RAILWAY COMPANY LIMITED

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EAST SOMERSET RAILWAY COMPANY LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2024

The trustees present their annual report and financial statements for the year ended 31 December 2024.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's governing document, the Companies Act 2006 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).

Objectives and activities

The principle activities and charitable objectives of the East Somerset Railway Company (also known as ESR) are to preserve, operate and exhibit for public benefit for educational and instructional purposes and to stimulate and encourage interest in steam and other railway locomotives, rolling stock and other machinery and equipment of historical interest.

The wholly owned subsidiary company, Cranmore Railway Company Limited, operates a retail shop and a restaurant. It also runs a carriage overhaul and repair business, Cranmore Train Maintenance Services.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives in planning future activities.

The directors are very grateful to the many dedicated and enthusiastic volunteers without whom the railway could not function. The ESR has over 100 volunteers of whom 50 work regularly at the Railway. This equates to approximately 13-16 full time staff. All areas of the Railway are covered by these volunteers assisting in Management, Infrastructure maintenance, Operations, Track, S & T, Workshops, Shop and Ticket Office.

Achievements and performance

The heritage railway sector has again struggled during this period, but the ESR has performed well, mainly helped by publicity in social media and press. Visitor numbers have increased with a large proportion due to increased dining services which is a valuable income stream.

Operation of the Café under concession arrangement continues to be successful and gives the ESR additional income.

Sufficient funds have been generated from operations to support a range of improvements. The largest expense has been over £64,000 on track renewals which is generally ongoing but will be reducing as improvements are made. Some projects have been identified as improvements to facilities and attractions for visitors. Some funding has been sourced for the installation of a bridge but further funding will be required for the extensive restoration. It is hoped that installation will commence during 2025.

2025 is expected to be similarly profitable, except for income from contract locomotive overhaul which will cease during the year due to the need to overhaul an ESR locomotive. Funds will therefore be reduced for maintenance and improvements, hence action is in place to further manage expenditure accordingly. We are aware that grant funding may be available and intend to consider this.

Fundraising

The main source of funding is through operations, in addition donations (some with gift aid) and small grants support the main source. All ongoing improvements are generally funded by surplus income.

At this time no major projects (other than the bridge) are subject to fundraising. As a charity we do not directly solicit donations and have never employed directly or by 3rd party fundraisers.

Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Adoption of the going concern basis can be found in the Accounting Policies.

EAST SOMERSET RAILWAY COMPANY LIMITED

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2024

Financial review

The reserves of the charity that are freely available for the use at the year end are as follows:

	2024	2023
	£	£
Total funds of the charity	760,337	715,250
Less:		
Designated funds	(66,000)	(66,000)
Unrestricted funds only realisable on disposal of fixed assets	(542,566)	(464,814)
	<u>151,771</u>	<u>184,436</u>

The East Somerset Railway Board understands the need for the financial stability of the charity along with the maintenance of buildings, permanent way and rolling stock. The income of the charity and it's subsidiary has increased in recent years and the backlog of infrastructure repairs has been reduced substantially. The Board continues to look for ways to establish a long term reserve fund.

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Plans for the future

The Railway has plans to expand it's operations and to attract new visitors. There are extensive plans on improvements to infrastructure, rolling stock and signalling.

Following independent advice the Trustees have agreed to make some changes to the commercial structure of the Charity. From 1 January 2025 the trading activities of the charity will be carried out by the wholly owned subsidiary Cranmore Railway Company Limited. This enables a reduction in financial charges and simplified reporting of financial results.

Structure, governance and management

The charity is a company limited by guarantee incorporated and registered as a charity on 2 June 1976. The guarantors are the members to the extent of £1 each. The governing documents of the charity are the Memorandum and Article of Association dated 2 June 1976. As amended by resolution 13 May 2017.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

R C Masters

C R Cooke

C E Hopkins

S J Masters

(Resigned 22 September 2025)

D R Sharp

E Lavender

N J Dixon

W Carr

(Appointed 22 September 2025)

EAST SOMERSET RAILWAY COMPANY LIMITED

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2024

The trustees are appointed at the annual general meeting by the members. The trustees may appoint new trustees between annual general meetings but such appointments must be ratified at the next annual general meeting.

Trustees seek to fill skill gaps as far as possible when looking for new board members. As a charity the ESR maintains a board of trustees and operates in line with recommended practice.

The ESR promotes a policy of inclusivity which is applied to our staff, volunteers and visitors. We have invested in external training in relation to vulnerable people.

As an operational railway the ESR has to provide a board structure that fulfils its obligations under the Transport & Works Act.

The day to day management of the charity is delegated to Simon Bending, business manager.

Statement of trustees' responsibilities

The trustees, who are also the directors of East Somerset Railway Company Limited for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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 operation.

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

The trustees' report was approved by the Board of Trustees.

D R Sharp

Trustee

Dated: 21 October 2025

EAST SOMERSET RAILWAY COMPANY LIMITED

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF EAST SOMERSET RAILWAY COMPANY LIMITED

I report to the trustees on my examination of the financial statements of East Somerset Railway Company Limited (the charity) for the year ended 31 December 2024.

Responsibilities and basis of report

As the trustees of the charity (and also its directors for the purposes of company law), you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006.

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the Companies Act 2006 and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011. In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the Charities Act 2011.

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 386 of the Companies Act 2006.
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the Companies Act 2006 other than any requirement that the financial statements give a true and fair view, which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

Rachel Wills, FCA
Old Mill Accountancy Limited
Bishopbrook House
Cathedral Avenue
WELLS
Somerset
BA5 1FD

Dated: 22 October 2025

EAST SOMERSET RAILWAY COMPANY LIMITED

**STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT**

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	Unrestricted funds 2024 £	Total 2023 £
<u>Income and endowments from:</u>			
Donations and legacies	3	91,972	134,563
Charitable activities	4	347,153	393,262
Other trading activities	5	38,877	45,905
Other income	6	91,865	53,996
Total income		569,867	627,726
<u>Expenditure on:</u>			
Raising funds	7	24,397	21,315
Charitable activities	8	516,951	515,825
Total resources expended		541,348	537,140
Net incoming resources		28,519	90,586
Other recognised gains and losses			
Revaluation of tangible fixed assets		16,568	-
Net movement in funds		45,087	90,586
Fund balances at 1 January 2024		715,250	624,664
Fund balances at 31 December 2024		760,337	715,250

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

EAST SOMERSET RAILWAY COMPANY LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2024

	Notes	£	2024 £	£	2023 £
Fixed assets					
Tangible assets	14		542,566		464,814
Investments	15		25,000		25,000
			<u>567,566</u>		<u>489,814</u>
Current assets					
Stocks	16	11,869		3,300	
Debtors	17	89,788		68,806	
Cash at bank and in hand		171,677		200,608	
		<u>273,334</u>		<u>272,714</u>	
Creditors: amounts falling due within one year	18				
		(64,661)		(47,278)	
		<u>208,673</u>		<u>225,436</u>	
Net current assets			<u>208,673</u>		<u>225,436</u>
Total assets less current liabilities			<u>776,239</u>		<u>715,250</u>
Creditors: amounts falling due after more than one year	19				
			(15,902)		-
			<u>760,337</u>		<u>715,250</u>
Net assets			<u><u>760,337</u></u>		<u><u>715,250</u></u>
Income funds					
<u>Unrestricted funds</u>					
Designated funds	26	66,000		66,000	
General unrestricted funds	26	694,337		649,250	
		<u>760,337</u>		<u>715,250</u>	
			<u><u>760,337</u></u>		<u><u>715,250</u></u>

EAST SOMERSET RAILWAY COMPANY LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2024

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2024.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The accounts were approved by the Trustees on 21 October 2025

D R Sharp

Trustee

Company Registration No. 01261079

EAST SOMERSET RAILWAY COMPANY LIMITED

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

	Notes	2024 £	£	2023 £	£
Cash flows from operating activities					
Cash generated from operations	27		81,160		114,645
Investing activities					
Purchase of tangible fixed assets		(103,786)		(125,068)	
Proceeds from disposal of tangible fixed assets		2,000		-	
Net cash used in investing activities			(101,786)		(125,068)
Financing activities					
Payment of finance leases obligations		(8,305)		-	
Net cash used in financing activities			(8,305)		-
Net decrease in cash and cash equivalents			(28,931)		(10,423)
Cash and cash equivalents at beginning of year			200,608		211,031
Cash and cash equivalents at end of year			<u>171,677</u>		<u>200,608</u>

EAST SOMERSET RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

Charity information

East Somerset Railway Company Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Cranmore Railway Station, Cranmore, SHEPTON MALLET, Somerset, BA4 4QP.

1.1 Accounting convention

The accounts have been prepared in accordance with the charity's governing document, the Companies Act 2006 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). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The charity has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the charity as an individual entity and not about its group.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Grants received to assist with specific expenditure are released to the statement of financial activities as the expenditure is incurred.

Income is only deferred when:

- Fees are received in advance of the event to which they relate;
- The donor specifies that the grant or donation must only be used in future accounting periods; and
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

EAST SOMERSET RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or repayable by the Bank.

Income is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

1.5 Resources expended

Expenditure is recognised once there is a legal or constructive obligation to make payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the charity. Governance costs are those incurred in connection with the administration of the charity and compliance with constitutional and statutory requirements.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and machinery	15% reducing balance / 10% straight line
Fixtures, fittings & equipment	15% reducing balance
Rolling stock	Not depreciated

The depreciation on rolling stock is £nil, this is due to the company's commitment to restore these assets to their original condition and to maintain and preserve them in that state. It is considered that the estimated residual value is at least equal to cost. Rolling stock is introduced at cost and revalued in line with insurance valuations of these assets as this is deemed the most accurate reflection of their value to the charity.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

All assets costing more than £750 are capitalised.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

A subsidiary is an entity controlled by the charity. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible 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 (if any).

EAST SOMERSET RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies **(Continued)**

1.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 Financial instruments

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

EAST SOMERSET RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies **(Continued)**

1.13 Retirement benefits

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

1.14 Leases

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

Assets held under finance leases are recognised as assets at the lower of the assets 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 net income/(expenditure) for the year 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 as an expense on a straight line basis over the term of the relevant lease.

2 Critical accounting estimates and judgements

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 other 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

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

Estimated useful lives of tangible fixed assets

In determining the estimated useful life the charity considers the expected physical wear and tear of the asset.

3 Donations and legacies

	2024	2023
	£	£
Donations and gifts	28,796	61,654
Grant received	2,500	-
Gift Aid from subsidiary	60,676	72,909
	<u>91,972</u>	<u>134,563</u>

EAST SOMERSET RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

4	Charitable activities	2024	2023
		£	£
	Fares and Admissions	347,153	393,262
		<u> </u>	<u> </u>
5	Other trading activities		
		2024	2023
		£	£
	Fundraising events	38,877	45,905
		<u> </u>	<u> </u>
6	Other income		
		2024	2023
		£	£
	Subscriptions	6,266	5,967
	Booking fees and sundry income	37,449	29,808
	Wine and Dine income	29,913	18,221
	Insurance claim receivable	18,237	-
		<u> </u>	<u> </u>
		91,865	53,996
		<u> </u>	<u> </u>
7	Raising funds		
		2024	2023
		£	£
	<u>Fundraising and publicity</u>		
	Staging fundraising events	24,397	21,315
		<u> </u>	<u> </u>

EAST SOMERSET RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

8 Charitable activities

	2024	2023
	£	£
Motive, Power and Operations	68,416	75,369
Civil Engineering	5,698	60,341
Workshop Consumables	4,494	4,377
Santa Specials	32,887	33,901
Freight Charter and Loco Hire	18,704	21,364
Lady of Legend	13,775	-
Punch and Judy	1,125	
Rent and Rates	24,136	24,136
Services	61,456	43,587
Insurance	36,814	26,258
Repairs and overhaul costs	19,934	18,157
Paddington	-	1,625
Property Expenses	1,183	2,430
Peter Rabbit	-	2,264
	288,622	313,809
Share of support costs (see note 9)	225,549	199,385
Share of governance costs (see note 9)	2,780	2,631
	516,951	515,825
Analysis by fund		
Unrestricted funds	516,951	515,825
	516,951	515,825

EAST SOMERSET RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

9 Support costs	Support costs	Governance costs	2024	2023
	£	£	£	£
Staff costs	92,641	-	92,641	75,691
Depreciation and loss on disposal	70,422	-	70,422	53,649
Advertising and Marketing	36,651	-	36,651	26,860
Postage, Stationery and Telephone	13,255	-	13,255	12,641
Bank Interest and Charges	8,201	-	8,201	5,112
Credit Card Charges	7,041	-	7,041	8,763
Sundry	4,613	-	4,613	2,437
Legal and Professional	1,475	-	1,475	1,482
Accountancy Fees	2,050	-	2,050	1,950
Bad Debt Provision	(10,800)	-	(10,800)	10,800
Independent Examiners Fees	-	1,750	1,750	1,650
Director's insurance	-	1,030	1,030	981
	<u>225,549</u>	<u>2,780</u>	<u>228,329</u>	<u>202,016</u>
Analysed between				
Charitable activities	<u>225,549</u>	<u>2,780</u>	<u>228,329</u>	<u>202,016</u>

Support costs includes payments to the independent examiner of £2,050 (2023:£1,950) for accountancy services and £nil (2023:£nil) for other services.

10 Net movement in funds	2024	2023
	£	£
The net movement in funds is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	65,207	53,649
Loss on disposal of tangible fixed assets	5,215	-
	<u>70,422</u>	<u>53,649</u>

11 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

EAST SOMERSET RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

12 Employees

The average monthly number of employees during the year was:

	2024	2023
	Number	Number
	7	7
	<u>7</u>	<u>7</u>
Employment costs	2024	2023
	£	£
Wages and salaries	86,542	71,690
Social security costs	5,206	3,363
Other pension costs	893	638
	<u>92,641</u>	<u>75,691</u>
	<u>92,641</u>	<u>75,691</u>

There were no employees who received employee benefits of more than £60,000.

13 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

EAST SOMERSET RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

14 Tangible fixed assets	Plant and fixtures, fittings machinery & equipment		Rolling stock	Total
	£	£	£	£
Cost				
At 1 January 2024	540,366	56,865	142,195	739,426
Additions	117,541	4,828	11,237	133,606
Disposals	(18,246)	(600)	-	(18,846)
Revaluation	-	-	16,568	16,568
At 31 December 2024	<u>639,661</u>	<u>61,093</u>	<u>170,000</u>	<u>870,754</u>
Depreciation and impairment				
At 1 January 2024	228,674	45,938	-	274,612
Depreciation charged in the year	62,771	2,436	-	65,207
Eliminated in respect of disposals	(11,631)	-	-	(11,631)
At 31 December 2024	<u>279,814</u>	<u>48,374</u>	<u>-</u>	<u>328,188</u>
Carrying amount				
At 31 December 2024	<u>359,847</u>	<u>12,719</u>	<u>170,000</u>	<u>542,566</u>
At 31 December 2023	<u>311,692</u>	<u>10,927</u>	<u>142,195</u>	<u>464,814</u>

Rolling stock includes trains that are occasionally rented out on an operating lease basis. Such rentals are normally for short periods, and when not being leased the assets are used in the day to day activities of the charity.

Rolling stock has been revalued in line with insurance valuations of these assets as this is deemed the most accurate reflection of their value to the charity. The directors believe that these values are relevant in relation to market value at 31 December 2024. The original cost of these assets is £79,018.

EAST SOMERSET RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

15 Fixed asset investments

	Other investments
Cost or valuation	
At 1 January 2023 & 1 January 2024	25,000
	<u> </u>
Carrying amount	
At 31 December 2024	25,000
	<u> </u>
At 31 December 2023	25,000
	<u> </u>

		2024	2023
Other investments comprise:	Notes	£	£
Investments in subsidiaries	25	25,000	25,000
		<u> </u>	<u> </u>

The charity's investment represents 100% of the ordinary share capital of the subsidiary undertaking Cranmore Railway Company Limited, which carries on the trading activities of the group and is registered in England (Registered Number 01094413).

The aggregate share capital and reserves of the subsidiary at 31 December 2024 amounted to £25,000 (2023:£25,000)

16 Stocks

	2024	2023
	£	£
Raw materials and consumables	11,869	3,300
	<u> </u>	<u> </u>

17 Debtors

	2024	2023
Amounts falling due within one year:	£	£
Trade debtors	614	3,533
Amounts owed by subsidiary undertakings	42,682	24,317
Other debtors	25,586	26,686
Prepayments and accrued income	20,906	14,270
	<u> </u>	<u> </u>
	<u>89,788</u>	<u>68,806</u>

EAST SOMERSET RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

18 Creditors: amounts falling due within one year		2024	2023
	Notes	£	£
Obligations under finance leases	20	5,613	-
Other taxation and social security		894	746
Deferred income	21	5,492	7,359
Trade creditors		17,530	14,554
Other creditors		4,271	165
Accruals		30,861	24,454
		<u>64,661</u>	<u>47,278</u>

19 Creditors: amounts falling due after more than one year		2024	2023
	Notes	£	£
Obligations under finance leases	20	15,902	-
		<u>15,902</u>	<u>-</u>

20 Finance lease obligations		2024	2023
		£	£
Future minimum lease payments due under finance leases:			
		2024	2023
		£	£
Within one year		5,613	-
Within two and five years		15,902	-
		<u>21,515</u>	<u>-</u>

Finance lease payments represent rentals payable by the charity for plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is five years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments. A commercial rate of interest is charged on each hire purchase agreement.

Assets held on hire purchase agreements are secured on the asset to which they relate.

EAST SOMERSET RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

21 Deferred income

	2024	2023
	£	£
Other deferred income	5,492	7,359
	<u>5,492</u>	<u>7,359</u>
	2024	2023
	£	£
Current liabilities	5,492	7,359
	<u>5,492</u>	<u>7,359</u>
	<u>5,492</u>	<u>7,359</u>
Movement in the year	2024	2023
	£	£
At 1 January 2024	7,359	7,031
Amount released to income earned from charitable activities	(7,359)	(7,031)
Amount deferred in the year	5,492	7,359
	<u>5,492</u>	<u>7,359</u>
At 31 December 2024	5,492	7,359
	<u>5,492</u>	<u>7,359</u>

Deferred income relates to vouchers purchased in 2024 to be used in 2025.

22 Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to the profit or loss in respect of defined contribution schemes was £893 (2023:£638).

At 31 December 2024, the charity had a liability for pension payment owing of £178 (2023:£165).

EAST SOMERSET RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

23 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2024	2023
	£	£
Within one year	21,016	21,016
Between two and five years	77,149	79,915
In over five years	389,333	407,583
	<u>487,498</u>	<u>508,514</u>

24 Related party transactions

Transactions with related parties

During the year the charity entered into the following transactions with related parties:

	2024	2023
	£	£
Key management personnel	<u>19,743</u>	<u>17,430</u>

During the year there were transactions between East Somerset Railway Company and subsidiary Cranmore Railway Company. Facilities costs recharged of £25,872 (2023:£24,702) were payable by Cranmore Railway Company in the year. At year end, £42,682 (2023:£24,317) was due from subsidiary Cranmore Railway Company.

Trustee S Masters is an employee of the Dartmouth Steam Railway and Riverboat Company. During the year £1,073 (2023:£nil) was received from Dartmouth Steam Railway and Riverboat Company for services, which was invoiced under normal market conditions. No amounts were due at year end.

25 Subsidiaries

These financial statements are separate charity financial statements for East Somerset Railway.

Details of the charity's subsidiaries at 31 December 2024 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Cranmore Railway Company Limited	Cranmore, Nr Shepton Mallet, Somerset, BA4 4QP	Carries on the trading activities of the group.	Ordinary	100.00	

EAST SOMERSET RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

26 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	Balance at 1 January 2024	Incoming resources	Resources expended	Gains and losses	Balance at 31 December 2024
	£	£	£	£	£
46447 Fund	62,000	-	-	-	62,000
Lady Nan Fund	4,000	-	-	-	4,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Designated funds	66,000	-	-	-	66,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
General funds	649,250	569,867	(541,348)	16,568	694,337
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total unrestricted funds	715,250	569,867	(541,348)	16,568	760,337
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Prior year	Balance at 1 January 2023	Incoming resources	Resources expended	Gains and losses	Balance at 31 December 2023
	£	£	£	£	£
46447 Fund	62,000	-	-	-	62,000
Lady Nan Fund	4,000	-	-	-	4,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Designated funds	66,000	-	-	-	66,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
General funds	558,664	527,726	(537,140)	-	649,250
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total unrestricted funds	624,664	527,726	(537,140)	-	715,250
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The 46447 Fund has been set aside towards the next overhaul.
The Lady Nan Fund has been set aside towards the next overhaul.

EAST SOMERSET RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

27	Cash generated from operations	2024	2023
		£	£
	Surplus for the year	28,519	90,586
	Adjustments for:		
	Loss on disposal of tangible fixed assets	5,215	-
	Depreciation and impairment of tangible fixed assets	65,207	53,649
	Movements in working capital:		
	(Increase)/decrease in stocks	(8,569)	3,824
	(Increase) in debtors	(20,982)	(1,723)
	Increase/(decrease) in creditors	13,637	(32,019)
	(Decrease)/increase in deferred income	(1,867)	328
	Cash generated from operations	<u>81,160</u>	<u>114,645</u>
28	Analysis of changes in net funds		
		At 1 January 2024	Cash flows
			New finance leases
		At 31 December 2024	
		£	£
	Cash at bank and in hand	200,608	(28,931)
	Obligations under finance leases	-	8,305
		<u>200,608</u>	<u>(29,820)</u>
		<u>200,608</u>	<u>(20,626)</u>
		<u>200,608</u>	<u>(29,820)</u>
		<u>171,677</u>	<u>(21,515)</u>
		<u>150,162</u>	<u>150,162</u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.

EAST SOMERSET RAILWAY CO LTD

England & Wales - Charity number 271589

Accounts

Charity registration number 271589

Company registration number 01261079 (England and Wales)

EAST SOMERSET RAILWAY COMPANY LIMITED

ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

OLD M[•]LL

EAST SOMERSET RAILWAY COMPANY LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	R C Masters C R Cooke C E Hopkins S J Masters D R Sharp E Lavender N J Dixon	(Appointed 29 May 2023) (Appointed 29 May 2023)
Charity number	271589	
Company number	01261079	
Registered office	Cranmore Railway Station Cranmore SHEPTON MALLET Somerset BA4 4QP	
Independent examiner	Old Mill Accountancy Limited Bishopbrook House Cathedral Avenue WELLS Somerset BA5 1FD	
Bankers	Lloyds TSB 24 - 26 High Street WELLS Somerset BA5 2SJ	
Solicitors	Chubb Bulleid Limited 7 Market Place WELLS Somerset BA5 2RJ	

EAST SOMERSET RAILWAY COMPANY LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2023

The trustees present their annual report and financial statements for the year ended 31 December 2023.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's governing document, the Companies Act 2006 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).

Objectives and activities

The principle activities and charitable objectives of the East Somerset Railway Company (also known as ESR) are to preserve, operate and exhibit for public benefit for educational and instructional purposes and to stimulate and encourage interest in steam and other railway locomotives, rolling stock and other machinery and equipment of historical interest.

The wholly owned subsidiary company, Cranmore Railway Company Limited, operates a retail shop and a restaurant. It also runs a carriage overhaul and repair business, Cranmore Train Maintenance Services.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives in planning future activities.

The directors are very grateful to the many enthusiastic and dedicated volunteers without whom the railway could not operate. The ESR has over 100 volunteer members of whom about 40 work regularly at the Railway. This amounts to the equivalent of 12-15 full time staff. Work is carried out in all departments assisting in operations, track, site and building maintenance, S&T, workshops, shop, ticket office and management.

Achievements and performance

In a period when a number of heritage railways have struggled, the ESR has continued to make good progress. With the help of good publicity in social media and the press for recent achievements, visitor numbers and income have increased. Additional dining services have also been introduced in response to strong public demand and income from this source have significantly increased.

Operation of the café under a concession arrangement has proved highly successful. Services offered have been expanded and footfall and income have dramatically increased, from which the ESR receives a much-improved income.

Sufficient funds have been generated from operations to support a range of improvements. The largest expense of over £100K has been spent on track renewals but it is expected that the need for this level of expenditure will be reduced in future. Several development projects have been identified, mainly aimed at improving facilities and attractions for visitors, which, subject to funding, it is hoped will move forward in the coming year.

The ESR Chairman has stood down from this role but continues as a Trustee. A new Chairman has been appointed but no other changes to the Board have been made.

2024 is expected to be similarly profitable, but income from contract locomotive overhauls will cease in the following two years to enable work to be carried out on an ESR locomotive. This will greatly reduce funds available for maintenance and improvements and steps are being taken now to manage expenditure accordingly. Application for grant funding where applicable is also being considered.

Fundraising

In addition to raising funds through operations, funds have also been raised from donations, through gift aid, various commercial schemes such as Easyfundraising and small grants. Projects for which a major grant would be needed are under consideration. Funding for ongoing improvements at the Railway has mainly been provided from surplus income. Professional help for fundraising has not so far been sought but has been considered for major projects. As a charity we do not directly solicit donations and have never employed either directly employed or 3rd party collectors.

EAST SOMERSET RAILWAY COMPANY LIMITED

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Statement of financial activities	5
Balance sheet	6 - 7
Statement of cash flows	8
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EAST SOMERSET RAILWAY COMPANY LIMITED

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2023

Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Adoption of the going concern basis can be found in the Accounting Policies.

Financial review

The reserves of the charity that are freely available for the use at the year end are as follows:

	2023	2022
	£	£
Total funds of the charity	715,250	624,664
Less:		
Designated funds	(66,000)	(66,000)
Unrestricted funds only realisable on disposal of fixed assets	(464,814)	(393,395)
	<u>184,436</u>	<u>165,269</u>

The East Somerset Railway Board understands the need to improve the financial stability of the charity by building a cash reserve. Whilst the financial performance of the Railway has improved considerably in recent years, the need to fund improvements and a backlog of repairs to infrastructure, track etc, has required most available cash to be used. The Board continues to look for ways to establish a reserve fund.

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Plans for the future

Although extending the track remains a distant prospect, the Railway has significant development plans in many other areas. This year, with the help of additional volunteer staff it is hoped to make progress on the track, rolling stock, signalling, and infrastructure.

Structure, governance and management

The charity is a company limited by guarantee incorporated and registered as a charity on 2 June 1976. The guarantors are the members to the extent of £1 each. The governing documents of the charity are the Memorandum and Article of Association dated 2 June 1976. As amended by resolution 13 May 2017.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

R C Masters

C R Cooke

C E Hopkins

S J Masters

D R Sharp

E Lavender

N J Dixon

(Appointed 29 May 2023)

(Appointed 29 May 2023)

EAST SOMERSET RAILWAY COMPANY LIMITED

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2023

The trustees' are appointed at the annual general meeting by the members. The trustees may appoint new trustees between annual general meetings but such appointments must be ratified at the next annual general meeting.

Trustees seek to fill skill gaps as far as possible when looking for new board members. As a charity the ESR maintains a board of trustees and operates in line with recommended practice.

The ESR promotes a policy of inclusivity which is applied to our staff, volunteers and visitors. We have invested in external training in relation to vulnerable people.

As an operational railway the ESR has to provide a board structure that fulfils its obligations under the Transport & Works Act.

The day to day management of the charity is delegated to Simon Bending who was appointed as business manager during the year.

Statement of trustees' responsibilities

The trustees, who are also the directors of East Somerset Railway Company Limited for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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 operation.

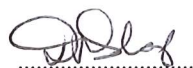
The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets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

The trustees' report was approved by the Board of Trustees.



R C Masters

Trustee
Dated: 30/7/24



D R Sharp

Trustee
Dated: 30/7/24

EAST SOMERSET RAILWAY COMPANY LIMITED

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF EAST SOMERSET RAILWAY COMPANY LIMITED

I report to the trustees on my examination of the financial statements of East Somerset Railway Company Limited (the charity) for the year ended 31 December 2023.

Responsibilities and basis of report

As the trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.


Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.



Tim Lerwill, FCA
Old Mill Accountancy Limited
Bishopbrook House
Cathedral Avenue
WELLS
Somerset
BA5 1FD

19/09/2024

Dated:

EAST SOMERSET RAILWAY COMPANY LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

		Unrestricted funds 2023 £	Total 2022 £
	Notes		
<u>Income and endowments from:</u>			
Donations and legacies	3	134,563	80,412
Charitable activities	4	393,262	326,736
Other trading activities	5	45,905	35,735
Other income	6	53,996	37,737
		<hr/>	<hr/>
Total income		627,726	480,620
		<hr/>	<hr/>
<u>Expenditure on:</u>			
Raising funds	7	21,315	32,820
		<hr/>	<hr/>
Charitable activities	8	515,825	491,799
		<hr/>	<hr/>
Total resources expended		537,140	524,619
		<hr/>	<hr/>
Net income/(expenditure) for the year/ Net movement in funds		90,586	(43,999)
		<hr/>	<hr/>
Fund balances at 1 January 2023		624,664	668,663
		<hr/>	<hr/>
Fund balances at 31 December 2023		715,250	624,664
		<hr/> <hr/>	<hr/> <hr/>

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

EAST SOMERSET RAILWAY COMPANY LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2023

			2023		2022
	Notes	£	£	£	£
Fixed assets					
Tangible assets	14		464,814		393,395
Investments	15		25,000		25,000
			489,814		418,395
Current assets					
Stocks	16	3,300		7,124	
Debtors	17	68,806		67,083	
Cash at bank and in hand		200,608		211,031	
			272,714	285,238	
Creditors: amounts falling due within one year	18		(47,278)	(78,969)	
Net current assets			225,436		206,269
Total assets less current liabilities			715,250		624,664
Income funds					
<u>Unrestricted funds</u>					
Designated funds	21	66,000		66,000	
General unrestricted funds	21	649,250		558,664	
			715,250		624,664
			715,250		624,664

EAST SOMERSET RAILWAY COMPANY LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2023

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2023.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The accounts were approved by the Trustees on 29/7/24



R C Masters
Trustee



D R Sharp
Trustee

Company Registration No. 01261079

EAST SOMERSET RAILWAY COMPANY LIMITED

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

1 Accounting policies

Charity information

East Somerset Railway Company Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Cranmore Railway Station, Cranmore, SHEPTON MALLET, Somerset, BA4 4QP.

1.1 Accounting convention

The accounts have been prepared in accordance with the charity's governing document, the Companies Act 2006 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). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The charity has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the charity as an individual entity and not about its group.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Grants received to assist with specific expenditure are released to the statement of financial activities as the expenditure is incurred.

Income is only deferred when:

- Fees are received in advance of the event to which they relate;
- The donor specifies that the grant or donation must only be used in future accounting periods; and
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

EAST SOMERSET RAILWAY COMPANY LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash generated from operations	25		114,645		26,492
Investing activities					
Purchase of tangible fixed assets		(125,068)		(49,210)	
Net cash used in investing activities			(125,068)		(49,210)
Financing activities					
Repayment of borrowings		-		(2,698)	
Net cash used in financing activities			-		(2,698)
Net decrease in cash and cash equivalents			(10,423)		(25,416)
Cash and cash equivalents at beginning of year			211,031		236,447
Cash and cash equivalents at end of year			200,608		211,031

EAST SOMERSET RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

1.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 Financial instruments

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

EAST SOMERSET RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or repayable by the Bank.

Income is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

1.5 Resources expended

Expenditure is recognised once there is a legal or constructive obligation to make payment to a third party, it is probably that settlement will be required and the amount of the obligation can be measured reliably.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the charity. Governance costs are those incurred in connection with the administration of the charity and compliance with constitutional and statutory requirements.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and machinery	15% reducing balance / 10% straight line
Fixtures, fittings & equipment	15% reducing balance
Rolling stock	Not depreciated

The depreciation on rolling stock is £nil, this is due to the company's commitment to restore these assets to their original condition and to maintain and preserve them in that state. It is considered that the estimated residual value is at least equal to cost. Rolling stock is introduced at cost and revalued in line with insurance valuations of these assets as this is deemed the most accurate reflection of their value to the charity.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

All assets costing more than £750 are capitalised.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

A subsidiary is an entity controlled by the charity. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible 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 (if any).

EAST SOMERSET RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

4 Charitable activities

	2023 £	2022 £
Fares and Admissions	393,262	326,736

5 Other trading activities

	2023 £	2022 £
Fundraising events	45,905	35,735

6 Other income

	2023 £	2022 £
Subscriptions	5,967	7,116
Booking fees and sundry income	29,808	17,310
Wine and Dine income	18,221	13,311
	<u>53,996</u>	<u>37,737</u>

7 Raising funds

	2023 £	2022 £
<u>Fundraising and publicity</u>		
Staging fundraising events	21,315	32,820

EAST SOMERSET RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

1.13 Retirement benefits

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

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

1.15 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Government grants relating to turnover are recognised as income over the periods when the related costs are incurred. Grants relating to an asset are recognised in income systematically over the asset's expected useful life. If part of such a grant is deferred it is recognised as deferred income rather than being deducted from the asset's carrying amount.

2 Critical accounting estimates and judgements

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 other 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

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

Estimated useful lives of tangible fixed assets

In determining the estimated useful life the charity considers the expected physical wear and tear of the asset.

3 Donations and legacies

	2023	2022
	£	£
Donations and gifts	61,654	62,342
Government grants	-	11,000
Gift Aid from subsidiary	72,909	7,070
	<u> </u>	<u> </u>

EAST SOMERSET RAILWAY COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

9 Support costs	Support costs	Governance costs	2023	2022
	£	£	£	£
Staff costs	75,691	-	75,691	70,423
Depreciation	53,649	-	53,649	42,344
Advertising and Marketing	26,860	-	26,860	23,885
Postage, Stationery and Telephone	12,641	-	12,641	16,672
Bank Interest and Charges	5,112	-	5,112	285
Credit Card Charges	8,763	-	8,763	5,486
Sundry	2,437	-	2,437	2,726
Legal and Professional	1,482	-	1,482	1,288
Accountancy Fees	1,950	-	1,950	1,800
Bad Debt Provision	10,800	-	10,800	-
Independent Examiners Fees	-	1,650	1,650	1,600
Director's insurance	-	981	981	949
	<u>199,385</u>	<u>2,631</u>	<u>202,016</u>	<u>167,458</u>
Analysed between				
Charitable activities	<u>199,385</u>	<u>2,631</u>	<u>202,016</u>	<u>167,458</u>

Support costs includes payments to the independent examiner of £1,950 (2022:£1,800) for accountancy services and £nil (2022:£nil) for other services.

10 Net movement in funds	2023	2022
	£	£
The net movement in funds is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	<u>53,649</u>	<u>42,344</u>

11 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

EAST SOMERSET RAILWAY COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

8 Charitable activities

	2023	2022
	£	£
Motive, Power and Operations	75,369	51,059
Civil Engineering	60,341	78,090
Workshop Consumables	4,377	6,411
Santa Specials	33,901	25,562
Freight Charter and Loco Hire	21,364	39,860
Peppa Pig	-	3,205
The Way We Were	-	2,072
Rent and Rates	24,136	23,387
Services	43,587	43,591
Insurance	26,258	26,872
Repairs and overhaul costs	18,157	14,159
Paddington	1,625	1,350
Property Expenses	2,430	7,223
Peter Rabbit	2,264	1,500
	<hr/>	<hr/>
	313,809	324,341
	<hr/>	<hr/>
Share of support costs (see note 9)	199,385	164,909
Share of governance costs (see note 9)	2,631	2,549
	<hr/>	<hr/>
	515,825	491,799
	<hr/>	<hr/>
Analysis by fund		
Unrestricted funds	515,825	491,799
	<hr/>	<hr/>
	515,825	491,799
	<hr/>	<hr/>

EAST SOMERSET RAILWAY COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

14 Tangible fixed assets	Plant and machinery	Fixtures, fittings & equipment	Rolling stock	Total
	£	£	£	£
Cost				
At 1 January 2023	433,725	55,758	124,875	614,358
Additions	106,641	1,107	17,320	125,068
	<u>540,366</u>	<u>56,865</u>	<u>142,195</u>	<u>739,426</u>
At 31 December 2023				
Depreciation and impairment				
At 1 January 2023	176,952	44,011	-	220,963
Depreciation charged in the year	51,722	1,927	-	53,649
	<u>228,674</u>	<u>45,938</u>	<u>-</u>	<u>274,612</u>
At 31 December 2023				
Carrying amount				
At 31 December 2023	<u>311,692</u>	<u>10,927</u>	<u>142,195</u>	<u>464,814</u>
At 31 December 2022	<u>256,773</u>	<u>11,747</u>	<u>124,875</u>	<u>393,395</u>

Rolling stock includes trains that are occasionally rented out on an operating lease basis. Such rentals are normally for short periods, and when not being leased the assets are used in the day to day activities of the charity.

Rolling stock has been revalued in line with insurance valuations of these assets as this is deemed the most accurate reflection of their value to the charity. The directors believe that these values are relevant in relation to market value at 31 December 2023. The original cost of these assets is £50,462.

EAST SOMERSET RAILWAY COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

12 Employees

The average monthly number of employees during the year was:

	2023	2022
	Number	Number
	7	7
	<u> </u>	<u> </u>
Employment costs	2023	2022
	£	£
Wages and salaries	71,690	67,713
Social security costs	3,363	2,170
Other pension costs	638	540
	<u> </u>	<u> </u>
	<u>75,691</u>	<u>70,423</u>

There were no employees who received employee benefits of more than £60,000.

13 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

EAST SOMERSET RAILWAY COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

15 Fixed asset investments

		Other investments	
Cost or valuation			
At 1 January 2022 & 1 January 2023			25,000
Carrying amount			
At 31 December 2023			25,000
At 31 December 2022			25,000
			<u>25,000</u>
			<u>25,000</u>
		2023	2022
Other investments comprise:		£	£
	Notes		
Investments in subsidiaries	24	25,000	25,000
		<u>25,000</u>	<u>25,000</u>

The charity's investment represents 100% of the ordinary share capital of the subsidiary undertaking Cranmore Railway Company Limited, which carries on the trading activities of the group and is registered in England (Registered Number 01094413).

The aggregate share capital and reserves of the subsidiary at 31 December 2023 amounted to £25,000 (2022:£25,000)

16 Stocks

	2023	2022
	£	£
Raw materials and consumables	3,300	7,124
	<u>3,300</u>	<u>7,124</u>

17 Debtors

	2023	2022
	£	£
Amounts falling due within one year:		
Trade debtors	3,533	865
Amounts owed by subsidiary undertakings	24,317	35,668
Other debtors	26,686	17,881
Prepayments and accrued income	14,270	12,669
	<u>68,806</u>	<u>67,083</u>
	<u>68,806</u>	<u>67,083</u>

EAST SOMERSET RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

22 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023	2022
	£	£
Within one year	21,016	21,016
Between two and five years	79,915	82,681
In over five years	407,583	425,833
	<u>508,514</u>	<u>529,530</u>

23 Related party transactions

Transactions with related parties

During the year the charity entered into the following transactions with related parties:

	2023	2022
	£	£
Key management personnel	17,430	-
	<u>17,430</u>	<u>-</u>

During the year there were transactions between East Somerset Railway Company and subsidiary Cranmore Railway Company. Facilities costs recharged of £24,702 (2022:£23,532) were payable by Cranmore Railway Company in the year. At year end, £24,317 (2022:£35,668) was due from subsidiary Cranmore Railway Company.

Trustee S Masters is an employee of the Dartmouth Steam Railway and Riverboat Company. During the year £nil (2022: £nil) was received from Dartmouth Steam Railway and Riverboat Company for services, which was invoiced under normal market conditions.

24 Subsidiaries

These financial statements are separate charity financial statements for East Somerset Railway.

Details of the charity's subsidiaries at 31 December 2023 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Cranmore Railway Company Limited	Cranmore, Nr Shepton Mallet, Somerset, BA4 4QP	Carries on the trading activities of the group.	Ordinary	100.00	

EAST SOMERSET RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

21 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	Movement in funds			
	Balance at 1 January 2023	Incoming Resources	Resources Expended	Balance at 31 December 2023
	£	£	£	£
46447 Fund	62,000	-	-	62,000
Lady Nan Fund	4,000	-	-	4,000
	<hr/>	<hr/>	<hr/>	<hr/>
Designated funds	66,000	-	-	66,000
	<hr/>	<hr/>	<hr/>	<hr/>
General funds	558,664	627,726	(537,140)	649,250
	<hr/>	<hr/>	<hr/>	<hr/>
Total unrestricted funds	624,664	627,726	(537,140)	715,250
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Prior year	Movement in funds			
	Balance at 1 January 2022	Incoming Resources	Resources Expended	Balance at 31 December 2022
	£	£	£	£
46447 Fund	62,000	-	-	62,000
Lady Nan Fund	4,000	-	-	4,000
	<hr/>	<hr/>	<hr/>	<hr/>
Designated funds	66,000	-	-	66,000
	<hr/>	<hr/>	<hr/>	<hr/>
General funds	602,663	480,620	(524,619)	558,664
	<hr/>	<hr/>	<hr/>	<hr/>
Total unrestricted funds	668,663	480,620	(524,619)	624,664
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The 46447 Fund has been set aside towards the next overhaul.
The Lady Nan Fund has been set aside towards the next overhaul.

EAST SOMERSET RAILWAY COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

25 Cash generated from operations	2023	2022
	£	£
Surplus/(deficit) for the year	90,586	(43,999)
Adjustments for:		
Depreciation and impairment of tangible fixed assets	53,649	42,344
Movements in working capital:		
Decrease/(increase) in stocks	3,824	(4,627)
(Increase)/decrease in debtors	(1,723)	23,905
(Decrease)/increase in creditors	(32,019)	11,323
Increase/(decrease) in deferred income	328	(2,454)
	<hr/>	<hr/>
Cash generated from operations	114,645	26,492
	<hr/> <hr/>	<hr/> <hr/>

26 Analysis of changes in net funds

The charity had no material debt during the year.

EAST SOMERSET RAILWAY CO LTD

England & Wales - Charity number 271589

Accounts

Charity registration number 271589

Company registration number 01261079 (England and Wales)

EAST SOMERSET RAILWAY COMPANY LIMITED

ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

EAST SOMERSET RAILWAY COMPANY LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	R C Masters C R Cooke C E Hopkins S J Masters D R Sharp E Lavender N J Dixon	(Appointed 29 May 2023) (Appointed 29 May 2023)
Charity number	271589	
Company number	01261079	
Registered office	Cranmore Railway Station Cranmore SHEPTON MALLET Somerset BA4 4QP	
Independent examiner	Old Mill Accountancy Limited Bishopbrook House Cathedral Avenue WELLS Somerset BA5 1FD	
Bankers	Lloyds TSB 24 - 26 High Street WELLS Somerset BA5 2SJ	
Solicitors	Chubb Bulleid Limited 7 Market Place WELLS Somerset BA5 2RJ	

EAST SOMERSET RAILWAY COMPANY LIMITED

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Statement of financial activities	5
Balance sheet	6 - 7
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EAST SOMERSET RAILWAY COMPANY LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2022

The trustees present their annual report and financial statements for the year ended 31 December 2022.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's governing document, the Companies Act 2006 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).

Objectives and activities

The principle activities and charitable objectives of the East Somerset Railway Company are to preserve, operate and exhibit for public benefit for educational and instructional purposes and to stimulate and encourage interest in steam and other railway locomotives, rolling stock and other machinery and equipment of historical interest.

The wholly owned subsidiary company, Cranmore Railway Company Limited, operates a retail shop and a restaurant. It also runs a carriage overhaul and repair business, Cranmore Train Maintenance Services.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives in planning future activities.

The directors are very grateful to the many enthusiastic and dedicated volunteers without whom the railway could not operate.

Achievements and performance

The year was the first of full operation after the interruptions caused by the lockdowns. Visitor numbers were good with all events being well attended and dining services remained as popular with nearly all seats sold. On the busiest days in the summer, daily visitor numbers have been such that considerable efforts have been required to manage the flow of passengers and ensure seat availability and safety.

The employment of a Business Manager to oversee the commercial and financial areas of the business has improved the Railway's services and performance. The first year of operation of the café under a concession arrangement has been very successful. Footfall and turnover have dramatically improved and the Railway has received a significant income. A new more integrated ticketing system has been introduced which will help manage the large numbers of advance ticket sales and gift vouchers which the Railway receives.

Engineering contract work has been successful making a major contribution to the Railway's profits with a further loco overhaul contract being completed in the year. The next overhaul contract has been started and an agreement has also been signed with the Isle of Wight Railway for the overhaul of a loco starting in 2024 followed by 10 years use of it. Contract carriage overhaul work has been less successful with further losses incurred. Staff reductions have occurred and improvements in the management of the work introduced.

The Railway was profitable last year enabling its investment programme to continue. The largest area of expense was on maintenance of the track and the Railway was able to fund the complete refurbishment of the station toilets.

An influx of volunteers has increased the Railway's resources and helped with progress. One Trustee left during the year and two new Trustees have been appointed. It is hoped to strengthen the Board and add to its management skills further during the year.

Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Adoption of the going concern basis can be found in the Accounting Policies.

EAST SOMERSET RAILWAY COMPANY LIMITED

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2022

Financial review

The reserves of the charity that are freely available for the use at the year end are as follows:

	2022	2021
	£	£
Total funds of the charity	624,664	668,663
Less:		
Designated funds	(66,000)	(66,000)
Unrestricted funds only realisable on disposal of fixed assets	(393,395)	(386,529)
	<u>165,269</u>	<u>216,134</u>

The East Somerset Railway Board understands the need to improve the financial stability of the charity by building a cash reserve. Whilst the financial performance of the Railway has improved considerably in recent years, the need to fund improvements and a backlog of repairs to infrastructure, track etc, has required most available cash to be used. The Board continues to look for ways to establish a reserve fund.

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Plans for the future

Although extending the track remains a distant prospect, the Railway has significant development plans in many other areas. This year, with the help of additional volunteer staff it is hoped to make progress on the track, rolling stock, signalling, and infrastructure.

Structure, governance and management

The charity is a company limited by guarantee incorporated and registered as a charity on 2 June 1976. The guarantors are the members to the extent of £1 each. The governing documents of the charity are the Memorandum and Article of Association dated 2 June 1976. As amended by resolution 13 May 2017.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

R C Masters

C R Cooke

C E Hopkins

T Dalton

(Resigned 5 November 2022)

S J Masters

D R Sharp

E Lavender

(Appointed 29 May 2023)

N J Dixon

(Appointed 29 May 2023)

The trustees' are appointed at the annual general meeting by the members. The trustees may appoint new trustees between annual general meetings but such appointments must be ratified at the next annual general meeting.

Trustees seek to fill skill gaps as far as possible when looking for new board members.

EAST SOMERSET RAILWAY COMPANY LIMITED

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2022

Statement of trustees' responsibilities

The trustees, who are also the directors of East Somerset Railway Company Limited for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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 operation.

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

The trustees' report was approved by the Board of Trustees.

.....
R C Masters
Trustee
Dated:

.....
D R Sharp
Trustee
Dated:.....

EAST SOMERSET RAILWAY COMPANY LIMITED

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF EAST SOMERSET RAILWAY COMPANY LIMITED

I report to the trustees on my examination of the financial statements of East Somerset Railway Company Limited (the charity) for the year ended 31 December 2022.

Responsibilities and basis of report

As the trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of , which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

Tim Lerwill, FCA
Old Mill Accountancy Limited
Bishopbrook House
Cathedral Avenue
WELLS
Somerset
BA5 1FD

Dated:

EAST SOMERSET RAILWAY COMPANY LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Unrestricted funds 2022 £	Total 2021 £
<u>Income and endowments from:</u>			
Donations and legacies	3	80,412	207,980
Charitable activities	4	326,736	277,901
Other trading activities	5	35,735	35,468
Other income	6	37,737	30,108
Total income		480,620	551,457
<u>Expenditure on:</u>			
Raising funds	7	32,820	36,491
Charitable activities	8	491,799	355,377
Total resources expended		524,619	391,868
Net (expenditure)/income for the year/ Net movement in funds		(43,999)	159,589
Fund balances at 1 January 2022		668,663	509,074
Fund balances at 31 December 2022		624,664	668,663

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

EAST SOMERSET RAILWAY COMPANY LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2022

	Notes	£	2022 £	£	2021 £
Fixed assets					
Tangible assets	12		393,395		386,529
Investments	13		25,000		25,000
			418,395		411,529
Current assets					
Stocks	14	7,124		2,497	
Debtors	15	67,083		90,988	
Cash at bank and in hand		211,031		236,447	
			285,238	329,932	
Creditors: amounts falling due within one year	16	(78,969)		(72,798)	
Net current assets			206,269		257,134
Total assets less current liabilities			624,664		668,663
Income funds					
<u>Unrestricted funds</u>					
Designated funds	21	66,000		66,000	
General unrestricted funds	21	558,664		602,663	
			624,664		668,663
			624,664		668,663

EAST SOMERSET RAILWAY COMPANY LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2022

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2022.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The accounts were approved by the Trustees on

.....

R C Masters

Trustee

.....

D R Sharp

Trustee

Company Registration No. 01261079

EAST SOMERSET RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Charity information

East Somerset Railway Company Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Cranmore Railway Station, Cranmore, SHEPTON MALLET, Somerset, BA4 4QP.

1.1 Accounting convention

The accounts have been prepared in accordance with the charity's governing document, the Companies Act 2006 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). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The charity has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the charity as an individual entity and not about its group.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Grants received to assist with specific expenditure are released to the statement of financial activities as the expenditure is incurred.

EAST SOMERSET RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Income is only deferred when:

- Fees are received in advance of the event to which they relate;
- The donor specifies that the grant or donation must only be used in future accounting periods; and
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or repayable by the Bank.

Income is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

1.5 Resources expended

Expenditure is recognised once there is a legal or constructive obligation to make payment to a third party, it is probably that settlement will be required and the amount of the obligation can be measured reliably.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the charity. Governance costs are those incurred in connection with the administration of the charity and compliance with constitutional and statutory requirements.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and machinery	15% reducing balance / 10% straight line
Fixtures, fittings & equipment	15% reducing balance
Rolling stock	0% reducing balance

The depreciation on rolling stock is £nil, this is due to the company's commitment to restore these assets to their original condition and to maintain and preserve them in that state. It is considered that the estimated residual value is at least equal to cost. Rolling stock is introduced at cost and revalued in line with insurance valuations of these assets as this is deemed the most accurate reflection of their value to the charity.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

All assets costing more than £750 are capitalised.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

A subsidiary is an entity controlled by the charity. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

EAST SOMERSET RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible 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 (if any).

1.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 Financial instruments

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

EAST SOMERSET RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

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

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

1.15 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Government grants relating to turnover are recognised as income over the periods when the related costs are incurred. Grants relating to an asset are recognised in income systematically over the asset's expected useful life. If part of such a grant is deferred it is recognised as deferred income rather than being deducted from the asset's carrying amount.

2 Critical accounting estimates and judgements

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 other 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

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

Estimated useful lives of tangible fixed assets

In determining the estimated useful life the charity considers the expected physical wear and tear of the asset.

EAST SOMERSET RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

3 Donations and legacies

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Donations and gifts	62,342	-	62,342	9,669
Grant received	-	-	-	109,500
Government grants	11,000	-	11,000	62,113
Gift Aid from subsidiary	7,070	-	7,070	26,698
	<u>80,412</u>	<u>-</u>	<u>80,412</u>	<u>207,980</u>
For the year ended 31 December 2021	<u>98,031</u>	<u>109,949</u>		<u>207,980</u>

4 Charitable activities

	2022 £	2021 £
Fares and Admissions	326,736	277,901
	<u>326,736</u>	<u>277,901</u>

5 Other trading activities

	2022 £	2021 £
Fundraising events	35,735	35,468
	<u>35,735</u>	<u>35,468</u>

6 Other income

	2022 £	2021 £
Subscriptions	7,116	6,343
Booking fees and sundry income	17,310	16,801
Wine and Dine income	13,311	6,964
	<u>37,737</u>	<u>30,108</u>

EAST SOMERSET RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

7 Raising funds

	2022	2021
	£	£
<u>Fundraising and publicity</u>		
Staging fundraising events	32,820	36,491
	32,820	36,491

8 Charitable activities

	2022	2021
	£	£
Motive, Power and Operations	51,059	23,921
Civil Engineering	78,090	35,042
Workshop Consumables	6,411	3,620
Santa Specials	25,562	18,319
Freight Charter and Loco Hire	39,860	40,677
Peppa Pig	3,205	3,178
The Way We Were	2,072	-
Rent and Rates	23,387	21,198
Services	43,591	27,389
Insurance	26,872	20,435
Repairs and overhaul costs	14,159	9,817
Paddington	1,350	-
Property Expenses	7,223	1,744
Peter Rabbit	1,500	-
	324,341	205,340
Share of support costs (see note 9)	164,909	147,588
Share of governance costs (see note 9)	2,549	2,449
	491,799	355,377
Analysis by fund		
Unrestricted funds	491,799	241,556
Restricted funds	-	113,821
	491,799	355,377

EAST SOMERSET RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

9 Support costs	Support costs	Governance costs	2022	2021
	£	£	£	£
Staff costs	70,423	-	70,423	62,634
Depreciation	42,344	-	42,344	41,772
Advertising and Marketing	23,885	-	23,885	12,661
Postage, Stationery and Telephone	16,672	-	16,672	17,676
Bank Interest and Charges	285	-	285	281
Credit Card Charges	5,486	-	5,486	4,451
Sundry	2,726	-	2,726	2,024
Legal and Professional	1,288	-	1,288	4,539
Accountancy Fees	1,800	-	1,800	1,550
Independent Examiners Fees	-	1,600	1,600	1,500
Director's insurance	-	949	949	949
	164,909	2,549	167,458	150,037
	164,909	2,549	167,458	150,037
Analysed between				
Charitable activities	164,909	2,549	167,458	150,037
	164,909	2,549	167,458	150,037

Support costs includes payments to the independent examiner of £1,800 (2021:£1,550) for accountancy services and £nil (2021:£nil) for other services.

10 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

EAST SOMERSET RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

11 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
	7	7
	<u>7</u>	<u>7</u>
Employment costs	2022	2021
	£	£
Wages and salaries	67,713	60,526
Social security costs	2,170	1,522
Other pension costs	540	586
	<u>70,423</u>	<u>62,634</u>
	<u>70,423</u>	<u>62,634</u>

There were no employees who received employee benefits of more than £60,000.

EAST SOMERSET RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

12 Tangible fixed assets

	Plant and machinery	Fixtures, fittings & equipment	Rolling stock	Total
	£	£	£	£
Cost				
At 1 January 2022	385,390	55,758	124,000	565,148
Additions	48,335	-	875	49,210
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 December 2022	433,725	55,758	124,875	614,358
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Depreciation and impairment				
At 1 January 2022	136,681	41,938	-	178,619
Depreciation charged in the year	40,271	2,073	-	42,344
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 December 2022	176,952	44,011	-	220,963
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Carrying amount				
At 31 December 2022	256,773	11,747	124,875	393,395
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 December 2021	248,709	13,820	124,000	386,529
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Rolling stock includes trains that are occasionally rented out on an operating lease basis. Such rentals are normally for short periods, and when not being leased the assets are used in the day to day activities of the charity.

Rolling stock has been revalued in line with insurance valuations of these assets as this is deemed the most accurate reflection of their value to the charity. The directors believe that these values are relevant in relation to market value at 31 December 2022. The original cost of these assets is £50,462.

EAST SOMERSET RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

13 Fixed asset investments

	Other investments
Cost or valuation	
At 1 January 2021 & 1 January 2022	25,000
	<u> </u>
Carrying amount	
At 31 December 2022	25,000
	<u> </u>
At 31 December 2021	25,000
	<u> </u>

	Notes	2022	2021
Other investments comprise:		£	£
Investments in subsidiaries	24	25,000	25,000
		<u> </u>	<u> </u>

The charity's investment represents 100% of the ordinary share capital of the subsidiary undertaking Cranmore Railway Company Limited, which carries on the trading activities of the group and is registered in England (Registered Number 01094413).

The aggregate share capital and reserves of the subsidiary at 31 December 2022 amounted to £25,000 (2021:£25,000)

14 Stocks

	2022	2021
	£	£
Raw materials and consumables	7,124	2,497
	<u> </u>	<u> </u>

15 Debtors

	2022	2021
Amounts falling due within one year:	£	£
Trade debtors	865	1,989
Amounts owed by subsidiary undertakings	35,668	51,247
Other debtors	17,881	25,973
Prepayments and accrued income	12,669	11,779
	<u> </u>	<u> </u>
	67,083	90,988
	<u> </u>	<u> </u>

EAST SOMERSET RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

16 Creditors: amounts falling due within one year

	Notes	2022 £	2021 £
Borrowings		-	2,698
Other taxation and social security		122	790
Deferred income	17	7,031	9,485
Trade creditors		60,536	52,941
Other creditors		126	-
Accruals		11,154	6,884
		78,969	72,798
		78,969	72,798

17 Deferred income

	2022 £	2021 £
Other deferred income	7,031	9,485
	7,031	9,485
	7,031	9,485

	2022 £	2021 £
Current liabilities	7,031	9,485
	7,031	9,485
	7,031	9,485

	2022 £	2021 £
Movement in the year		
At 1 January 2022	9,485	22,951
Amount released to income earned from charitable activities	(9,485)	(22,951)
Amount deferred in the year	7,031	9,485
	7,031	9,485
At 31 December 2022	7,031	9,485

Deferred income relates to vouchers purchased in 2022 to be used in 2023.

18 Loans and overdrafts

	2022 £	2021 £
Other loans	-	2,698
	-	2,698
Payable within one year	-	2,698

EAST SOMERSET RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

19 Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £540 (2021:£586).

At 31 December 2022, the charity had a liability for pension payment owing of £126 (2021:£nil)

20 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

There was no restricted funds movement during the year ended 31 December 2022.

Prior year	Movement in funds			Balance at 31 December 2021
	Balance at 1 January 2021	Incoming Resources	Resources Expended	
	£	£	£	£
Cranmore Loco Fund	-	449	(449)	-
Cranmore Station Heritage Fund	3,872	108,000	(111,872)	-
Erth Project	-	1,500	(1,500)	-
	<u>3,872</u>	<u>109,949</u>	<u>(113,821)</u>	<u>-</u>

The Cranmore Loco Fund is an appeal to raise funds to overhaul locos.

The Cranmore Station Heritage fund is a grant to fund the restoration project which includes rebuilding the down platform and waiting room.

The Erth Project is a fund to restore the St Erth Footbridge.

EAST SOMERSET RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

21 Unrestricted funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Movement in funds			Balance at 31 December 2022
	Balance at 1 January 2022	Incoming Resources	Resources Expended	
	£	£	£	£
46447 Fund	62,000	-	-	62,000
Lady Nan Fund	4,000	-	-	4,000
	<u>66,000</u>	<u>-</u>	<u>-</u>	<u>66,000</u>
Designated funds	66,000	-	-	66,000
General funds	602,663	480,620	(524,619)	558,664
Total unrestricted funds	<u>668,663</u>	<u>480,620</u>	<u>(524,619)</u>	<u>624,664</u>

Prior year	Movement in funds			Balance at 31 December 2021
	Balance at 1 January 2021	Incoming Resources	Resources Expended	
	£	£	£	£
46447 Fund	62,000	-	-	62,000
Lady Nan Fund	3,000	-	-	4,000
	<u>65,000</u>	<u>-</u>	<u>-</u>	<u>66,000</u>
Designated funds	65,000	-	-	66,000
General funds	440,202	441,508	(278,047)	602,663
Total unrestricted funds	<u>505,202</u>	<u>441,508</u>	<u>(278,047)</u>	<u>668,663</u>

The 5637 Fund has been set aside towards the next overhaul.
 The 46447 Fund has been set aside towards the next overhaul.
 The Lady Nan Fund has been set aside towards the next overhaul.

EAST SOMERSET RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

22 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022	2021
	£	£
Within one year	21,016	24,326
Between two and five years	82,681	73,000
In over five years	425,833	444,083
	<u>529,530</u>	<u>541,409</u>

23 Related party transactions

During the year there were transactions between East Somerset Railway Company and subsidiary Cranmore Railway Company. Facilities costs recharged of £23,532 (2021:£23,532) were payable by Cranmore Railway Company in the year. At year end, £35,668 (2021:£51,247) was due from subsidiary Cranmore Railway Company.

Trustee S Masters is an employee of the Dartmouth Steam Railway and Riverboat Company. During the year £nil (2021: £nil) was received from Dartmouth Steam Railway and Riverboat Company for services, which was invoiced under normal market conditions.

24 Subsidiaries

These financial statements are separate charity financial statements for East Somerset Railway.

Details of the charity's subsidiaries at 31 December 2022 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Cranmore Railway Company Limited	Cranmore, Nr Shepton Mallet, Somerset, BA4 4QP	Carries on the trading activities of the group.	Ordinary	100.00	

EAST SOMERSET RAILWAY CO LTD

England & Wales - Charity number 271589

Accounts

Charity registration number 271589

Company registration number 01261079 (England and Wales)

EAST SOMERSET RAILWAY COMPANY LIMITED

ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

EAST SOMERSET RAILWAY COMPANY LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	R C Masters C R Cooke C E Hopkins T Dalton S J Masters D R Sharp
Secretary	A Jepson
Charity number	271589
Company number	01261079
Registered office	Cranmore Railway Station Cranmore SHEPTON MALLET Somerset BA4 4QP
Independent examiner	Old Mill Accountancy Limited Bishopbrook House Cathedral Avenue WELLS Somerset BA5 1FD
Bankers	Lloyds TSB 24 - 26 High Street WELLS Somerset BA5 2SJ
Solicitors	Chubb Bulleid Limited 7 Market Place WELLS Somerset BA5 2RJ

EAST SOMERSET RAILWAY COMPANY LIMITED

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EAST SOMERSET RAILWAY COMPANY LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2021

The trustees present their annual report and financial statements for the year ended 31 December 2021.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's governing document, the Companies Act 2006 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).

Objectives and activities

The principle activities and charitable objectives of the East Somerset Railway Company are to preserve, operate and exhibit for public benefit for educational and instructional purposes and to stimulate and encourage interest in steam and other railway locomotives, rolling stock and other machinery and equipment of historical interest.

The wholly owned subsidiary company, Cranmore Railway Company Limited, operates a retail shop and a restaurant. It also runs a carriage overhaul and repair business, Cranmore Train Maintenance Services.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives in planning future activities.

The directors are very grateful to the many enthusiastic and dedicated volunteers without whom the railway could not operate.

Achievements and performance

Further periods of lockdown in 2021 caused the ESR's operating season to start later than usual. However, as restrictions were eased, we were able to resume our full range of services and events and visitor numbers were very buoyant bringing fare income back to more normal levels. The contract loco overhaul work progressed well making a good contribution to the ESR'S profits.

The ESR received additional government grants which were used to fund the ongoing programme of maintenance and renewals especially to the track. A major improvement was the much-needed replacement of the station toilets, completed in 2022.

For many years the station café has struggled to pay its way and some major changes have been introduced to improve both performance and the standard of service. The seating area has now been refurbished and the café is operating under a concession arrangement. Initial indications are that turnover has substantially increased, customers are more satisfied and the ESR will receive some significant income this year.

The ESR's contract carriage repair business also continued to struggle, not helped by the periods of lockdown, and a further redundancy was made. The profitability of the business has subsequently improved and new orders will ensure continuous work this year.

Going concern

In light of the current coronavirus pandemic, the trustees have reviewed the likely future developments and remain of the opinion that there is no reason to believe that the charity will have to cease operating as a result of inadequate financial resources, or any other foreseeable event, within a period of at least 12 months from the date of the approval of these accounts.

EAST SOMERSET RAILWAY COMPANY LIMITED

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2021

Financial review

The reserves of the charity that are freely available for the use at the year end are as follows:

	2020	2019
	£	£
Total funds of the charity	668,663	509,074
Less:		
Restricted funds	-	(3,872)
Designated funds	(66,000)	(65,000)
Unrestricted funds only realisable on disposal of fixed assets	(386,529)	(355,742)
	<u>216,134</u>	<u>84,460</u>

The East Somerset Railway Board understands the need to improve the financial stability of the charity by building a cash reserve. Whilst the financial performance of the Railway has improved considerably in recent years, the need to fund improvements and a backlog of repairs to infrastructure, track etc, has required most available cash to be used. The Board continues to look for ways to establish a reserve fund.

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Plans for the future

The availability of funds from the ESR's operations will support a range of developments and improvements at the Railway. Several major projects are under consideration which would include a station footbridge, additional carriage repair facilities and enhanced visitor attractions which it is hoped will be supported by a Heritage Lottery Fund grant.

Structure, governance and management

The charity is a company limited by guarantee incorporated and registered as a charity on 2 June 1976. The guarantors are the members to the extent of £1 each. The governing documents of the charity are the Memorandum and Article of Association dated 2 June 1976. As amended by resolution 13 May 2017.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

R C Masters
C R Cooke
C E Hopkins
T Dalton
S J Masters
D R Sharp

The trustees' are appointed at the annual general meeting by the members. The trustees may appoint new trustees between annual general meetings but such appointments must be ratified at the next annual general meeting.

Trustees seek to fill skill gaps as far as possible when looking for new board members.

EAST SOMERSET RAILWAY COMPANY LIMITED

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2021

Statement of trustees' responsibilities

The trustees, who are also the directors of East Somerset Railway Company Limited for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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 operation.

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

The trustees' report was approved by the Board of Trustees.

R C Masters

Trustee

Dated: 20 September 2022

D R Sharp

Trustee

Dated:20 September 2022

EAST SOMERSET RAILWAY COMPANY LIMITED

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF EAST SOMERSET RAILWAY COMPANY LIMITED

I report to the trustees on my examination of the financial statements of East Somerset Railway Company Limited (the charity) for the year ended 31 December 2021.

Responsibilities and basis of report

As the trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of , which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

Tim Lerwill, FCA
Old Mill Accountancy Limited
Bishopbrook House
Cathedral Avenue
WELLS
Somerset
BA5 1FD

Dated: 5 September 2022

EAST SOMERSET RAILWAY COMPANY LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Total 2020 £
<u>Income and endowments from:</u>					
Donations and legacies	3	98,031	109,949	207,980	119,882
Charitable activities	4	277,901	-	277,901	150,181
Other trading activities	5	35,468	-	35,468	37,553
Other income	6	30,108	-	30,108	15,337
Total income		441,508	109,949	551,457	322,953
<u>Expenditure on:</u>					
Raising funds	7	36,491	-	36,491	20,626
Charitable activities	8	241,556	113,821	355,377	301,529
Total resources expended		278,047	113,821	391,868	322,155
Net incoming/(outgoing) resources		163,461	(3,872)	159,589	798
Other recognised gains and losses					
Revaluation of tangible fixed assets		-	-	-	74,413
Net movement in funds		163,461	(3,872)	159,589	75,211
Fund balances at 1 January 2021		505,202	3,872	509,074	433,863
Fund balances at 31 December 2021		668,663	-	668,663	509,074

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

EAST SOMERSET RAILWAY COMPANY LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	£	2021 £	£	2020 £
Fixed assets					
Tangible assets	12		386,529		355,742
Investments	13		25,000		25,000
			411,529		380,742
Current assets					
Stocks	14	2,497		2,822	
Debtors	15	90,988		58,817	
Cash at bank and in hand		236,447		125,816	
			329,932	187,455	
Creditors: amounts falling due within one year	17	(72,798)		(59,123)	
Net current assets			257,134		128,332
Total assets less current liabilities			668,663		509,074
Income funds					
Restricted funds	20		-		3,872
<u>Unrestricted funds</u>					
Designated funds	21	66,000		65,000	
General unrestricted funds	21	602,663		440,202	
			668,663		505,202
			668,663		509,074

EAST SOMERSET RAILWAY COMPANY LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2021

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2021.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The accounts were approved by the Trustees on 17 August 2022

R C Masters
Trustee

D R Sharp
Trustee

Company Registration No. 01261079

EAST SOMERSET RAILWAY COMPANY LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from operations	26		182,202		76,855
Investing activities					
Purchase of tangible fixed assets		(72,558)		(76,261)	
Net cash used in investing activities			(72,558)		(76,261)
Financing activities					
Repayment of borrowings		987		(657)	
Net cash generated from/(used in) financing activities			987		(657)
Net increase/(decrease) in cash and cash equivalents			110,631		(63)
Cash and cash equivalents at beginning of year			125,816		125,879
Cash and cash equivalents at end of year			236,447		125,816

EAST SOMERSET RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Charity information

East Somerset Railway Company Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Cranmore Railway Station, Cranmore, SHEPTON MALLET, Somerset, BA4 4QP.

1.1 Accounting convention

The accounts have been prepared in accordance with the charity's governing document, the Companies Act 2006 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). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

The charity has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the charity as an individual entity and not about its group.

1.2 Going concern

In light of the current coronavirus pandemic, the trustees have reviewed the likely future developments and remain of the opinion that there is no reason to believe that the charity will have to cease operating as a result of inadequate financial resources, or any other foreseeable event, within a period of at least 12 months from the date of the approval of these accounts.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

EAST SOMERSET RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

Grants received to assist with specific expenditure are released to the statement of financial activities as the expenditure is incurred.

Income is only deferred when:

- Fees are received in advance of the event to which they relate;
- The donor specifies that the grant or donation must only be used in future accounting periods; and
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or repayable by the Bank.

Income is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

1.5 Resources expended

Expenditure is recognised once there is a legal or constructive obligation to make payment to a third party, it is probably that settlement will be required and the amount of the obligation can be measured reliably.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the charity. Governance costs are those incurred in connection with the administration of the charity and compliance with constitutional and statutory requirements.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and machinery	15% reducing balance / 10% straight line
Fixtures, fittings & equipment	15% reducing balance
Rolling stock	0% reducing balance

The depreciation on rolling stock is £nil, this is due to the company's commitment to restore these assets to their original condition and to maintain and preserve them in that state. It is considered that the estimated residual value is at least equal to cost. Rolling stock is introduced at cost and revalued in line with insurance valuations of these assets as this is deemed the most accurate reflection of their value to the charity.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

All assets costing more than £750 are capitalised.

EAST SOMERSET RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

A subsidiary is an entity controlled by the charity. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible 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 (if any).

1.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 Financial instruments

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

EAST SOMERSET RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

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

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

1.15 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Government grants relating to turnover are recognised as income over the periods when the related costs are incurred. Grants relating to an asset are recognised in income systematically over the asset's expected useful life. If part of such a grant is deferred it is recognised as deferred income rather than being deducted from the asset's carrying amount.

EAST SOMERSET RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

2 Critical accounting estimates and judgements

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 other 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

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

Estimated useful lives of tangible fixed assets

In determining the estimated useful life the charity considers the expected physical wear and tear of the asset.

3 Donations and legacies

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Donations and gifts	9,220	449	9,669	12,846
Grant received	-	109,500	109,500	29,350
Government grants	62,113	-	62,113	77,686
Gift Aid from subsidiary	26,698	-	26,698	-
	<u>98,031</u>	<u>109,949</u>	<u>207,980</u>	<u>119,882</u>
For the year ended 31 December 2020	<u>90,332</u>	<u>29,550</u>		<u>119,882</u>

4 Charitable activities

	2021 £	2020 £
Fares and Admissions	<u>277,901</u>	<u>150,181</u>

5 Other trading activities

	2021 £	2020 £
Fundraising events	<u>35,468</u>	<u>37,553</u>

EAST SOMERSET RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

6 Other income

	2021	2020
	£	£
Subscriptions	6,343	8,167
Booking fees and sundry income	16,801	7,170
Wine and Dine income	6,964	-
	<u>30,108</u>	<u>15,337</u>

7 Raising funds

	2021	2020
	£	£
<u>Fundraising and publicity</u>		
Staging fundraising events	36,491	20,626
	<u>36,491</u>	<u>20,626</u>

EAST SOMERSET RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

8 Charitable activities

	2021	2020
	£	£
Motive, Power and Operations	23,921	16,871
Civil Engineering	35,042	16,003
Workshop Consumables	3,620	8,768
Santa Specials	18,319	12,052
Freight Charter and Loco Hire	40,677	28,372
Peppa Pig	3,178	-
Rent and Rates	21,198	20,987
Services	27,389	26,975
Insurance	20,435	24,041
Repairs and overhaul costs	9,817	10,638
Property Expenses	1,744	1,295
	<u>205,340</u>	<u>166,002</u>
Share of support costs (see note 9)	147,588	133,405
Share of governance costs (see note 9)	2,449	2,122
	<u>355,377</u>	<u>301,529</u>
Analysis by fund		
Unrestricted funds	241,556	301,529
Restricted funds	113,821	-
	<u>355,377</u>	<u>301,529</u>

EAST SOMERSET RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

9 Support costs

	Support costs	Governance costs	2021	2020
	£	£	£	£
Staff costs	62,634	-	62,634	62,460
Depreciation	41,772	-	41,772	35,799
Advertising and Marketing	12,661	-	12,661	8,949
Postage, Stationery and Telephone	17,676	-	17,676	15,399
Bank Interest and Charges	281	-	281	289
Credit Card Charges	4,451	-	4,451	3,288
Sundry	2,024	-	2,024	2,463
Legal and Professional	4,539	-	4,539	3,208
Accountancy Fees	1,550	-	1,550	1,550
Independent Examiners Fees	-	1,500	1,500	1,500
Director's insurance	-	949	949	622
	147,588	2,449	150,037	135,527
	147,588	2,449	150,037	135,527
Analysed between				
Charitable activities	147,588	2,449	150,037	135,527
	147,588	2,449	150,037	135,527

Support costs includes payments to the independent examiner of £1,550 (2020:£1,550) for accountancy services and £nil (2020:£nil) for other services.

10 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

EAST SOMERSET RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

11 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
	7	7
	<u>7</u>	<u>7</u>
Employment costs	2021	2020
	£	£
Wages and salaries	60,526	60,161
Social security costs	1,522	1,642
Other pension costs	586	657
	<u>62,634</u>	<u>62,460</u>
	<u>62,634</u>	<u>62,460</u>

There were no employees who received employee benefits of more than £60,000.

EAST SOMERSET RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

12 Tangible fixed assets

	Plant and machinery	Fixtures, fittings & equipment	Rolling stock	Total
	£	£	£	£
Cost				
At 1 January 2021	322,855	50,735	119,000	492,590
Additions	62,535	5,023	5,000	72,558
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 December 2021	385,390	55,758	124,000	565,148
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Depreciation and impairment				
At 1 January 2021	97,347	39,501	-	136,848
Depreciation charged in the year	39,334	2,437	-	41,771
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 December 2021	136,681	41,938	-	178,619
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Carrying amount				
At 31 December 2021	248,709	13,820	124,000	386,529
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 December 2020	225,508	11,234	119,000	355,742
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Rolling stock includes trains that are occasionally rented out on an operating lease basis. Such rentals are normally for short periods, and when not being leased the assets are used in the day to day activities of the charity.

Rolling stock has been revalued in line with insurance valuations of these assets as this is deemed the most accurate reflection of their value to the charity. The directors believe that these values are relevant in relation to market value at 31 December 2021. The original cost of these assets is £49,587.

EAST SOMERSET RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

13 Fixed asset investments

	Other investments
Cost or valuation	
At 1 January 2020 & 1 January 2021	25,000
	<u> </u>
Carrying amount	
At 31 December 2021	25,000
	<u> </u>
At 31 December 2020	25,000
	<u> </u>

	Notes	2021	2020
Other investments comprise:		£	£
Investments in subsidiaries	25	25,000	25,000
		<u> </u>	<u> </u>

The charity's investment represents 100% of the ordinary share capital of the subsidiary undertaking Cranmore Railway Company Limited, which carries on the trading activities of the group and is registered in England (Registered Number 01094413).

The aggregate share capital and reserves of the subsidiary at 31 December 2021 amounted to £25,000 (2020:£25,000)

14 Stocks

	2021	2020
	£	£
Raw materials and consumables	2,497	2,822
	<u> </u>	<u> </u>

15 Debtors

	2021	2020
Amounts falling due within one year:	£	£
Trade debtors	1,989	1,199
Amounts owed by subsidiary undertakings	51,247	34,422
Other debtors	25,973	11,904
Prepayments and accrued income	11,779	11,292
	<u> </u>	<u> </u>
	90,988	58,817
	<u> </u>	<u> </u>

EAST SOMERSET RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

19 Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £586 (2020:£657).

20 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds			Balance at 31 December 2021
	Balance at 1 January 2021	Incoming Resources	Resources Expended	
Cranmore Loco Fund	-	449	(449)	-
Cranmore Station Heritage Fund	3,872	108,000	(111,872)	-
Erth Project	-	1,500	(1,500)	-
	<u>3,872</u>	<u>109,949</u>	<u>(113,821)</u>	<u>-</u>

Prior year	Movement in funds			Balance at 31 December 2020
	Balance at 1 January 2020	Incoming Resources	Resources Expended	
Cranmore Station Heritage Fund	18,421	29,350	-	3,872
	<u>18,421</u>	<u>29,550</u>	<u>-</u>	<u>3,872</u>

The Cranmore Loco Fund is an appeal to raise funds to overhaul locos.

The Cranmore Station Heritage fund is a grant to fund the restoration project which includes rebuilding the down platform and waiting room.

The Erth Project is a fund to restore the St Erth Footbridge.

EAST SOMERSET RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

21 Unrestricted funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Movement in funds				Balance at 31 December 2021
	Balance at 1 January 2021	Incoming Resources	Resources Expended	Transfers	
	£	£	£	£	£
46447 Fund	62,000	-	-	-	62,000
Lady Nan Fund	3,000	-	-	1,000	4,000
	<u>65,000</u>	<u>-</u>	<u>-</u>	<u>1,000</u>	<u>66,000</u>
Designated funds	65,000	-	-	1,000	66,000
General funds	440,202	441,508	(278,047)	(1,000)	602,663
	<u>440,202</u>	<u>441,508</u>	<u>(278,047)</u>	<u>(1,000)</u>	<u>602,663</u>
Total unrestricted funds	<u>505,202</u>	<u>441,508</u>	<u>(278,047)</u>	<u>-</u>	<u>668,663</u>

Prior year	Movement in funds				Balance at 31 December 2020
	Balance at 1 January 2020	Incoming Resources	Resources Expended	Transfers	
	£	£	£	£	£
5637 Fund	20,000	-	-	(20,000)	-
46447 Fund	50,000	-	-	12,000	62,000
Lady Nan Fund	2,000	-	-	1,000	3,000
	<u>72,000</u>	<u>-</u>	<u>-</u>	<u>(7,000)</u>	<u>65,000</u>
Designated funds	72,000	-	-	(7,000)	65,000
General funds	343,442	293,403	(322,155)	125,512	440,202
	<u>343,442</u>	<u>293,403</u>	<u>(322,155)</u>	<u>125,512</u>	<u>440,202</u>
Total unrestricted funds	<u>415,442</u>	<u>293,403</u>	<u>(322,155)</u>	<u>(118,512)</u>	<u>505,202</u>

The 5637 Fund has been set aside towards the next overhaul.
 The 46447 Fund has been set aside towards the next overhaul.
 The Lady Nan Fund has been set aside towards the next overhaul.

EAST SOMERSET RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

22 Analysis of net assets between funds

	Unrestricted	Restricted funds	Total
	£	£	£
Fund balances at 31 December 2021 are represented by:			
Tangible assets	386,529	-	386,529
Investments	25,000	-	25,000
Current assets/(liabilities)	257,134	-	257,134
	<u>668,663</u>	<u>-</u>	<u>668,663</u>

Prior year

	Unrestricted	Restricted funds	Total
	£	£	£
Fund balances at 31 December 2020 are represented by:			
Tangible assets	355,742	-	355,742
Investments	25,000	-	25,000
Current assets/(liabilities)	124,460	3,872	128,332
	<u>505,202</u>	<u>3,872</u>	<u>509,074</u>

23 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021	2020
	£	£
Within one year	24,326	25,711
Between two and five years	73,000	79,076
In over five years	444,083	462,333
	<u>541,409</u>	<u>567,120</u>

24 Related party transactions

During the year there were transactions between East Somerset Railway Company and subsidiary Cranmore Railway Company. Facilities costs recharged of £23,532 (2020:£23,532) were payable by Cranmore Railway Company in the year. At year end, £51,247 (2020:£34,422) was due from subsidiary Cranmore Railway Company.

Trustee S Masters is an employee of the Dartmouth Steam Railway and Riverboat Company. During the year £nil (2020:£1,250) was received from Dartmouth Steam Railway and Riverboat Company for services, which was invoiced under normal market conditions.

EAST SOMERSET RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

25 Subsidiaries

These financial statements are separate charity financial statements for East Somerset Railway.

Details of the charity's subsidiaries at 31 December 2021 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Cranmore Railway Company Limited	Cranmore, Nr Shepton Mallet, Somerset, BA4 4QP	Carries on the trading activities of the group.	Ordinary	100.00	

26 Cash generated from operations

	2021 £	2020 £
Surplus for the year	159,589	798
Adjustments for:		
Depreciation and impairment of tangible fixed assets	41,771	35,799
Movements in working capital:		
Decrease in stocks	325	725
(Increase)/decrease in debtors	(32,171)	15,221
Increase in creditors	26,154	10,828
(Decrease)/increase in deferred income	(13,466)	13,484
Cash generated from operations	182,202	76,855

27 Analysis of changes in net funds

	At 1 January 2021 £	Cash flows £	At 31 December 2021 £
Cash at bank and in hand	125,816	110,631	236,447
Loans falling due within one year	(1,711)	(987)	(2,698)
	<u>124,105</u>	<u>109,644</u>	<u>233,749</u>

EAST SOMERSET RAILWAY CO LTD

England & Wales - Charity number 271589

Accounts

Charity Registration No. 271589

Company Registration No. 01261079 (England and Wales)

EAST SOMERSET RAILWAY COMPANY LIMITED

ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

OLD M'LL

EAST SOMERSET RAILWAY COMPANY LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	R C Masters C R Cooke C E Hopkins T Dalton S J Masters D R Sharp
Secretary	A Jepson
Charity number	271589
Company number	01261079
Registered office	Cranmore Railway Station Cranmore SHEPTON MALLET Somerset BA4 4QP
Independent examiner	Old Mill Accountancy LLP Bishopbrook House Cathedral Avenue WELLS Somerset BA5 1FD
Bankers	Lloyds TSB 24 - 26 High Street WELLS Somerset BA5 2SJ
Solicitors	Chubb Bulleid Limited 7 Market Place WELLS Somerset BA5 2RJ

EAST SOMERSET RAILWAY COMPANY LIMITED

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Trustees' report	1 - 3
Independent examiner's report	4
Statement of financial activities	5
Balance sheet	6 - 7
Notes to the financial statements	8 - 23

EAST SOMERSET RAILWAY COMPANY LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees present their report and financial statements for the year ended 31 December 2020.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's governing document, the Companies Act 2006 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).

Objectives and activities

The principle activities and charitable objectives of the East Somerset Railway Company are to preserve, operate and exhibit for public benefit for educational and instructional purposes and to stimulate and encourage interest in steam and other railway locomotives, rolling stock and other machinery and equipment of historical interest.

The wholly owned subsidiary company, Cranmore Railway Company Limited, operates a retail shop and a restaurant. It also runs a carriage overhaul and repair business, Cranmore Train Maintenance Services.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives in planning future activities.

The directors are very grateful to the many enthusiastic and dedicated volunteers without whom the railway could not operate.

Achievements and performance

Along with many other organisations in the leisure industry, last year the ESR had to deal with the major problems caused by the coronavirus epidemic. The first half of the year was completely lost due to the lockdown and many events and services had to be cancelled for the whole year. However, by adopting appropriate distancing and sanitizing procedures, in the latter part of the year a high level of income was achieved from fares and the all-important Santa event. Sales from catering and in carriage repairs were well down although the locomotive overhaul work was able to make good progress.

The ESR had adequate cash reserves to help overcome the loss of income and receipt of government funded grants and the use of furlough pay helped considerably. During the year sufficient funds were available to continue the program of work on the down platform, the museum refurbishment and track renewals although the reduced level of cash meant some projects have had to be delayed.

Going concern

In light of the current coronavirus pandemic, the trustees have reviewed the likely future developments and remain of the opinion that there is no reason to believe that the charity will have to cease operating as a result of inadequate financial resources, or any other foreseeable event, within a period of at least 12 months from the date of the approval of these accounts.

EAST SOMERSET RAILWAY COMPANY LIMITED

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2020

Financial review

The reserves of the charity that are freely available for the use at the year end are as follows:

	2020	2019
	£	£
Total funds of the charity	509,074	433,863
Less:		
Restricted funds	(3,872)	(18,421)
Designated funds	(65,000)	(72,000)
Unrestricted funds only realisable on disposal of fixed assets	(355,742)	(240,867)
	<u>84,460</u>	<u>102,575</u>

The East Somerset Railway Board understands the need to improve the financial stability of the charity by building a cash reserve. Whilst the financial performance of the Railway has improved considerably in recent years, the need to fund improvements and a backlog of repairs to infrastructure, track etc, has required most available cash to be used. The Board continues to look for ways to establish a reserve fund.

The trustees has assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Plans for the future

Following the major improvements at Cranmore station over the last 3 years, the ESR continues to develop plans for further additions and investments in the Railway. The easing of lockdown should enable income to be restored this year and with the possibility of further grant support, funding is expected to be available for projects such as the installation of a footbridge (donated by Network Rail), renewal of the station toilets and the purchase of new equipment for the workshops.

Structure, governance and management

The charity is a company limited by guarantee incorporated and registered as a charity on 2 June 1976. The guarantors are the members to the extent of £1 each. The governing documents of the charity are the Memorandum and Article of Association dated 2 June 1976. As amended by resolution 13 May 2017.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

R C Masters
C R Cooke
C E Hopkins
T Dalton
S J Masters
D R Sharp

The trustees' are appointed at the annual general meeting by the members. The trustees may appoint new trustees between annual general meetings but such appointments must be ratified at the next annual general meeting.

Trustees seek to fill skill gaps as far as possible when looking for new board members.

EAST SOMERSET RAILWAY COMPANY LIMITED

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2020

Statement of trustees' responsibilities

The trustees, who are also the directors of East Somerset Railway Company Limited for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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 operation.

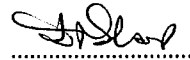
The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets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

The trustees' report was approved by the Board of Trustees.



.....
R C Masters

Trustee
Dated: 8/9/21



.....
D R Sharp

Trustee
Dated: 8/9/21

EAST SOMERSET RAILWAY COMPANY LIMITED

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF EAST SOMERSET RAILWAY COMPANY LIMITED

I report on the financial statements of the charity for the year ended 31 December 2020, which are set out on pages 5 to 23.

Respective responsibilities of trustees and examiner

The charity's trustees, who are also the directors of East Somerset Railway Company Limited for the purposes of company law, are responsible for the preparation of the financial statements. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination being a qualified member of the Institute of Chartered Accountants in England and Wales.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- (i) examine the financial statements under section 145 of the 2011 Act;
- (ii) to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- (iii) to state whether particular matters have come to my attention.

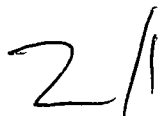
Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the financial statements present a 'true and fair view' and the report is limited to those matters set out in the next statement.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (a) which gives me reasonable cause to believe that in any material respect the requirements:
 - (i) to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - (ii) to prepare financial statements which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities;have not been met or
- (b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.



Tim Lerwill, FCA
Old Mill Accountancy LLP
Bishopbrook House
Cathedral Avenue
WELLS
Somerset
BA5 1FD

Dated: 20/9/2021

EAST SOMERSET RAILWAY COMPANY LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Total 2019 £
<u>Income and endowments from:</u>					
Donations and legacies	3	90,332	29,550	119,882	107,552
Charitable activities	4	150,181	-	150,181	263,765
Other trading activities	5	37,553	-	37,553	40,139
Other income	6	15,337	-	15,337	26,696
Total income		293,403	29,550	322,953	438,152
<u>Expenditure on:</u>					
Raising funds	7	20,626	-	20,626	26,671
Charitable activities	8	301,529	-	301,529	332,986
Total resources expended		322,155	-	322,155	359,657
Net (outgoing)/incoming resources before transfers		(28,752)	29,550	798	78,495
Gross transfers between funds		44,099	(44,099)	-	-
Net incoming/(outgoing) resources		15,347	(14,549)	798	78,495
Other recognised gains and losses					
Revaluation of tangible fixed assets		74,413	-	74,413	-
Net movement in funds		89,760	(14,549)	75,211	78,495
Fund balances at 1 January 2020		415,442	18,421	433,863	355,368
Fund balances at 31 December 2020		505,202	3,872	509,074	433,863

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

EAST SOMERSET RAILWAY COMPANY LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	£	2020 £	£	2019 £
Fixed assets					
Tangible assets	12		355,742		240,867
Investments	13		25,000		25,000
			380,742		265,867
Current assets					
Stocks	14	2,822		3,547	
Debtors	15	58,817		74,038	
Cash at bank and in hand		125,816		125,879	
			187,455	203,464	
Creditors: amounts falling due within one year	17		(59,123)	(35,468)	
Net current assets			128,332		167,996
Total assets less current liabilities			509,074		433,863
Income funds					
Restricted funds	20		3,872		18,421
<u>Unrestricted funds</u>					
Designated funds	21	65,000		72,000	
General unrestricted funds	21	440,202		343,442	
			505,202		415,442
			509,074		433,863

EAST SOMERSET RAILWAY COMPANY LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2020

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2020.

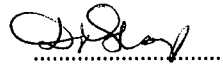
The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The accounts were approved by the Trustees on 7/9/21


.....
R C Masters
Trustee


.....
D R Sharp
Trustee

Company Registration No. 01261079

EAST SOMERSET RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Charity information

East Somerset Railway Company Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Cranmore Railway Station, Cranmore, SHEPTON MALLET, Somerset, BA4 4QP.

1.1 Accounting convention

The accounts have been prepared in accordance with the charity's governing document, the Companies Act 2006 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). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The charity has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the charity as an individual entity and not about its group.

1.2 Going concern

In light of the current coronavirus pandemic, the trustees have reviewed the likely future developments and remain of the opinion that there is no reason to believe that the charity will have to cease operating as a result of inadequate financial resources, or any other foreseeable event, within a period of at least 12 months from the date of the approval of these accounts.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

EAST SOMERSET RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Grants received to assist with specific expenditure are released to the statement of financial activities as the expenditure is incurred.

Income is only deferred when:

- Fees are received in advance of the event to which they relate;
- The donor specifies that the grant or donation must only be used in future accounting periods; and
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or repayable by the Bank.

Income is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

1.5 Resources expended

Expenditure is recognised once there is a legal or constructive obligation to make payment to a third party, it is probably that settlement will be required and the amount of the obligation can be measured reliably.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the charity. Governance costs are those incurred in connection with the administration of the charity and compliance with constitutional and statutory requirements.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and machinery	15% reducing balance
Fixtures, fittings & equipment	15% reducing balance
Rolling stock	0% reducing balance

The depreciation on rolling stock is £nil, this is due to the company's commitment to restore these assets to their original condition and to maintain and preserve them in that state. It is considered that the estimated residual value is at least equal to cost. Rolling stock is introduced at cost and revalued in line with insurance valuations of these assets as this is deemed the most accurate reflection of their value to the charity.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

All assets costing more than £750 are capitalised.

EAST SOMERSET RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

A subsidiary is an entity controlled by the charity. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible 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 (if any).

1.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 Financial instruments

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

EAST SOMERSET RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

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

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

1.15 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Government grants relating to turnover are recognised as income over the periods when the related costs are incurred. Grants relating to an asset are recognised in income systematically over the asset's expected useful life. If part of such a grant is deferred it is recognised as deferred income rather than being deducted from the asset's carrying amount.

EAST SOMERSET RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

2 Critical accounting estimates and judgements

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 other 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

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

Estimated useful lives of tangible fixed assets

In determining the estimated useful life the charity considers the expected physical wear and tear of the asset.

3 Donations and legacies

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Donations and gifts	12,646	200	12,846	30,237
Grant received	-	29,350	29,350	32,692
Government grants	77,686	-	77,686	-
Gift Aid from subsidiary	-	-	-	44,623
	<u>90,332</u>	<u>29,550</u>	<u>119,882</u>	<u>107,552</u>
For the year ended 31 December 2019	<u>51,705</u>	<u>55,847</u>		<u>107,552</u>

4 Charitable activities

	2020 £	2019 £
Fares and Admissions	<u>150,181</u>	<u>263,765</u>

EAST SOMERSET RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

5 Other trading activities

	2020	2019
	£	£
Fundraising events	37,553	40,139
	<u> </u>	<u> </u>

6 Other income

	2020	2019
	£	£
Subscriptions	8,167	4,015
Booking fees and sundry income	7,170	11,247
Wine and Dine income	-	11,434
	<u> </u>	<u> </u>
	<u>15,337</u>	<u>26,696</u>

7 Raising funds

	2020	2019
	£	£
<u>Fundraising and publicity</u>		
Staging fundraising events	20,626	26,671
	<u> </u>	<u> </u>

EAST SOMERSET RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

8 Charitable activities

	2020	2019
	£	£
Motive, Power and Operations	16,871	30,784
Civil Engineering	16,003	17,572
Workshop Consumables	8,768	2,680
Santa Specials	12,052	12,663
Freight Charter and Loco Hire	28,372	36,007
Gruffalo	-	1,500
The Way We Were	-	980
Rent and Rates	20,987	21,736
Services	26,975	25,716
Insurance	24,041	21,784
Repairs and overhaul costs	10,638	21,299
Property Expenses	1,295	1,735
P J Masks	-	2,796
	<u>166,002</u>	<u>197,252</u>
Share of support costs (see note 9)	133,405	133,612
Share of governance costs (see note 9)	2,122	2,122
	<u>301,529</u>	<u>332,986</u>
Analysis by fund		
Unrestricted funds	301,529	332,986
	<u>301,529</u>	<u>332,986</u>

EAST SOMERSET RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

9 Support costs

	Support costs	Governance costs	2020	2019
	£	£	£	£
Staff costs	62,460	-	62,460	58,158
Depreciation	35,799	-	35,799	30,807
Advertising and Marketing	8,949	-	8,949	9,513
Postage, Stationery and Telephone	15,399	-	15,399	19,481
Bank Interest and Charges	289	-	289	508
Credit Card Charges	3,288	-	3,288	4,772
Sundry	2,463	-	2,463	4,013
Legal and Professional	3,208	-	3,208	4,860
Accountancy Fees	1,550	-	1,550	1,500
Independent Examiners Fees	-	1,500	1,500	1,500
Director's insurance	-	622	622	622
	<u>133,405</u>	<u>2,122</u>	<u>135,527</u>	<u>135,734</u>
Analysed between				
Charitable activities	<u>133,405</u>	<u>2,122</u>	<u>135,527</u>	<u>135,734</u>

Support costs includes payments to the independent examiner of £1,550 (2019:£1,500) for accountancy services and £nil (2019:£nil) for other services.

10 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

EAST SOMERSET RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

11 Employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
	7	6
	<u>7</u>	<u>6</u>
Employment costs	2020	2019
	£	£
Wages and salaries	60,161	55,272
Social security costs	1,642	2,180
Other pension costs	657	706
	<u>62,460</u>	<u>58,158</u>
	<u>62,460</u>	<u>58,158</u>

There were no employees who received employee benefits of more than £60,000.

EAST SOMERSET RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

12 Tangible fixed assets

	Plant and machinery	Fixtures, fittings & equipment	Rolling stock	Total
	£	£	£	£
Cost				
At 1 January 2020	251,944	45,385	44,587	341,916
Additions	70,911	5,350	-	76,261
Revaluation	-	-	74,413	74,413
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 December 2020	322,855	50,735	119,000	492,590
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Depreciation and impairment				
At 1 January 2020	63,531	37,518	-	101,049
Depreciation charged in the year	33,816	1,983	-	35,799
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 December 2020	97,347	39,501	-	136,848
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Carrying amount				
At 31 December 2020	225,508	11,234	119,000	355,742
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 December 2019	188,413	7,867	44,587	240,867
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Rolling stock includes trains that are occasionally rented out on an operating lease basis. Such rentals are normally for short periods, and when not being leased the assets are used in the day to day activities of the charity.

Rolling stock has been revalued in line with insurance valuations of these assets as this is deemed the most accurate reflection of their value to the charity. The original cost of these assets is £44,587.

EAST SOMERSET RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

13 Fixed asset investments

	Other investments
Cost or valuation	
At 1 January 2019 & 1 January 2020	25,000
	<u> </u>
Carrying amount	
At 31 December 2020	25,000
	<u> </u>
At 31 December 2019	25,000
	<u> </u>

	Notes	2020	2019
		£	£
Other investments comprise:			
Investments in subsidiaries	26	25,000	25,000
		<u> </u>	<u> </u>

The charity's investment represents 100% of the ordinary share capital of the subsidiary undertaking Cranmore Railway Company Limited, which carries on the trading activities of the group and is registered in England (Registered Number 01094413).

The aggregate share capital and reserves of the subsidiary at 31 December 2020 amounted to £25,000 (2019: £25,000)

14 Stocks

	2020	2019
	£	£
Raw materials and consumables	2,822	3,547
	<u> </u>	<u> </u>

15 Debtors

	2020	2019
	£	£
Amounts falling due within one year:		
Trade debtors	1,199	1,020
Amounts owed by subsidiary undertakings	34,422	47,694
Other debtors	11,904	14,158
Prepayments and accrued income	11,292	11,166
	<u> </u>	<u> </u>
	<u>58,817</u>	<u>74,038</u>

EAST SOMERSET RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

16	Loans and overdrafts		2020	2019
			£	£
	Other loans		1,711	2,368
			<u>1,711</u>	<u>2,368</u>
	Payable within one year		1,711	2,368
			<u>1,711</u>	<u>2,368</u>
17	Creditors: amounts falling due within one year		2020	2019
		Notes	£	£
	Borrowings		1,711	2,368
	Other taxation and social security		722	843
	Deferred income	18	22,951	9,467
	Trade creditors		21,503	9,963
	Accruals		12,236	12,827
			<u>59,123</u>	<u>35,468</u>
18	Deferred income		2020	2019
			£	£
	Other deferred income		22,951	9,467
			<u>22,951</u>	<u>9,467</u>
	Current liabilities		22,951	9,467
			<u>22,951</u>	<u>9,467</u>
Movement in the year			2020	2019
			£	£
	At 1 January 2020		9,467	13,005
	Amount released to income earned from charitable activities		(9,467)	(13,005)
	Amount deferred in the year		22,951	9,467
			<u>22,951</u>	<u>9,467</u>
	At 31 December 2020		22,951	9,467
			<u>22,951</u>	<u>9,467</u>

Deferred income relates to vouchers purchased in 2020 to be used in 2021.

EAST SOMERSET RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

19 Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £657 (2019:£706).

20 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds				Balance at 31 December 2020 £
	Balance at 1 January 2020 £	Incoming Resources £	Resources Expended £	Transfers £	
Sleeper Appeal	-	200	-	(200)	-
Cranmore Station Heritage Fund	18,421	29,350	-	(43,899)	3,872
	<u>18,421</u>	<u>29,550</u>	<u>-</u>	<u>(44,099)</u>	<u>3,872</u>

Prior year

	Movement in funds				Balance at 31 December 2019 £
	Balance at 1 January 2019 £	Incoming Resources £	Resources Expended £	Transfers £	
Cranmore Station Heritage Fund	-	55,847	-	(37,426)	18,421
	<u>-</u>	<u>55,847</u>	<u>-</u>	<u>(37,426)</u>	<u>18,421</u>

The Sleeper Appeal fund is for the purchase of replacement sleepers.

The Cranmore Station Heritage fund is a grant to fund the restoration project which includes rebuilding the down platform and waiting room.

EAST SOMERSET RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

21 Unrestricted funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Movement in funds				Balance at 31 December 2020
	Balance at 1 January 2020	Incoming Resources	Resources Expended	Transfers	
	£	£	£	£	£
5637 Fund	20,000	-	-	(20,000)	-
46447 Fund	50,000	-	-	12,000	62,000
Lady Nan Fund	2,000	-	-	1,000	3,000
	<u>72,000</u>	<u>-</u>	<u>-</u>	<u>(7,000)</u>	<u>65,000</u>
Designated funds	72,000	-	-	(7,000)	65,000
General funds	343,442	293,403	(322,155)	125,512	440,202
Total unrestricted funds	<u>415,442</u>	<u>293,403</u>	<u>(322,155)</u>	<u>118,512</u>	<u>505,202</u>

Prior year

	Movement in funds				Balance at 31 December 2019
	Balance at 1 January 2019	Incoming Resources	Resources Expended	Transfers	
	£	£	£	£	£
5637 Fund	18,000	-	-	2,000	20,000
46447 Fund	40,000	-	-	10,000	50,000
Lady Nan Fund	1,000	-	-	1,000	2,000
	<u>59,000</u>	<u>-</u>	<u>-</u>	<u>13,000</u>	<u>72,000</u>
Designated funds	59,000	-	-	13,000	72,000
General funds	296,368	382,305	(359,657)	24,426	343,442
Total unrestricted funds	<u>355,368</u>	<u>382,305</u>	<u>(359,657)</u>	<u>(37,426)</u>	<u>415,442</u>

The 5637 Fund has been set aside towards the next overhaul.
 The 46447 Fund has been set aside towards the next overhaul.
 The Lady Nan Fund has been set aside towards the next overhaul.

EAST SOMERSET RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

22 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total
	£	£	£
Fund balances at 31 December 2020 are represented by:			
Tangible assets	355,742	-	355,742
Investments	25,000	-	25,000
Current assets/(liabilities)	124,460	3,872	128,332
	<u>505,202</u>	<u>3,872</u>	<u>509,074</u>

Prior year

	Unrestricted funds	Restricted funds	Total
	£	£	£
Fund balances at 31 December 2019 are represented by:			
Tangible assets	240,867	-	240,867
Investments	25,000	-	25,000
Current assets/(liabilities)	149,575	18,421	167,996
	<u>415,442</u>	<u>18,421</u>	<u>433,863</u>

23 Financial commitments, guarantees and contingent liabilities

As at the year end, the charity has a contingent liability of approximately £32,000 in respect of a potential compensation claim. The charity has taken exemption under FRS 102 21.17 not to disclose information, as required by FRS 102 21.15, on the grounds that this would form a seriously prejudicial opinion.

EAST SOMERSET RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

24 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020	2019
	£	£
Within one year	25,711	25,744
Between two and five years	79,076	86,536
In over five years	462,333	480,583
	<u>567,120</u>	<u>592,863</u>

25 Related party transactions

During the year there were transactions between East Somerset Railway Company and subsidiary Cranmore Railway Company. Facilities costs recharged of £23,532 (2019:£24,612) were payable by Cranmore Railway Company in the year. At year end, £34,422 (2019:£47,694) was due from subsidiary Cranmore Railway Company.

Trustee S Masters is an employee of the Dartmouth Steam Railway and Riverboat Company. During the year £1,250 was received from Dartmouth Steam Railway and Riverboat Company for services, which was invoiced under normal market conditions.

26 Subsidiaries

These financial statements are separate charity financial statements for East Somerset Railway.

Details of the charity's subsidiaries at 31 December 2020 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Cranmore Railway Company Limited	Cranmore, Nr Shepton Mallet, Somerset, BA4 4QP	Carries on the trading activities of the group.	Ordinary	100.00	