

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

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

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# **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 2020**

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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.

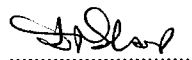
The trustees' report was approved by the Board of Trustees.



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.

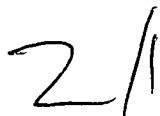
#### Basis of independent examiner's report

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 £
<b><u>Income and endowments from:</u></b>					
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
<b>Total income</b>		<b>293,403</b>	<b>29,550</b>	<b>322,953</b>	<b>438,152</b>
<b><u>Expenditure on:</u></b>					
Raising funds	7	20,626	-	20,626	26,671
Charitable activities	8	301,529	-	301,529	332,986
<b>Total resources expended</b>		<b>322,155</b>	<b>-</b>	<b>322,155</b>	<b>359,657</b>
<b>Net (outgoing)/incoming resources before transfers</b>		<b>(28,752)</b>	<b>29,550</b>	<b>798</b>	<b>78,495</b>
Gross transfers between funds		44,099	(44,099)	-	-
<b>Net incoming/(outgoing) resources</b>		<b>15,347</b>	<b>(14,549)</b>	<b>798</b>	<b>78,495</b>
<b><u>Other recognised gains and losses</u></b>					
Revaluation of tangible fixed assets		74,413	-	74,413	-
<b>Net movement in funds</b>		<b>89,760</b>	<b>(14,549)</b>	<b>75,211</b>	<b>78,495</b>
Fund balances at 1 January 2020		415,442	18,421	433,863	355,368
<b>Fund balances at 31 December 2020</b>		<b>505,202</b>	<b>3,872</b>	<b>509,074</b>	<b>433,863</b>

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

# **EAST SOMERSET RAILWAY COMPANY LIMITED**

## **BALANCE SHEET (CONTINUED)**

**AS AT 31 DECEMBER 2020**

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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.

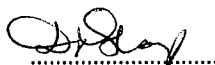
The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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**

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#### **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 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
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

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### 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

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### 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>37,553</u>	<u>40,139</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>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>20,626</u>	<u>26,671</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>
<b>Analysis by fund</b>		
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>
<b>Employment costs</b>	<b>2020</b>	<b>2019</b>
	£	£
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
	£	£	£	£
<b>Cost</b>				
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>
<b>Depreciation and impairment</b>				
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>
<b>Carrying amount</b>				
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
<b>Cost or valuation</b>	
At 1 January 2019 & 1 January 2020	25,000
<b>Carrying amount</b>	
At 31 December 2020	25,000
At 31 December 2019	25,000

	Notes	2020 £	2019 £
Other investments comprise:			
Investments in subsidiaries	26	25,000	25,000

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

### 15 Debtors

	2020 £	2019 £
<b>Amounts falling due within one year:</b>		
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
	58,817	74,038

# 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
	£	£
Borrowings	1,711	2,368
Other taxation and social security	722	843
Deferred income	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>

	2020	2019
	£	£
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 1 January 2020	Incoming Resources	Resources Expended	Transfers
	£	£	£	£
Sleeper Appeal	-	200	-	(200)
Cranmore Station Heritage Fund	18,421	29,350	-	(43,899)
	<u>18,421</u>	<u>29,550</u>	<u>-</u>	<u>(44,099)</u>
	<u><u>18,421</u></u>	<u><u>29,550</u></u>	<u><u>-</u></u>	<u><u>(44,099)</u></u>

#### Prior year

	Movement in funds			
	Balance at 1 January 2019	Incoming Resources	Resources Expended	Transfers
	£	£	£	£
Cranmore Station Heritage Fund	-	55,847	-	(37,426)
	<u>-</u>	<u>55,847</u>	<u>-</u>	<u>(37,426)</u>
	<u><u>-</u></u>	<u><u>55,847</u></u>	<u><u>-</u></u>	<u><u>(37,426)</u></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 1 January 2020	Incoming Resources	Resources Expended	Transfers	Balance at 31 December 2020
	£	£	£	£	£
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>415,442</u>	<u>293,403</u>	<u>(322,155)</u>	<u>118,512</u>	<u>505,202</u>
Total unrestricted funds	415,442	293,403	(322,155)	118,512	505,202

#### Prior year

	Movement in funds				
	Balance at 1 January 2019	Incoming Resources	Resources Expended	Transfers	Balance at 31 December 2019
	£	£	£	£	£
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
	<u>355,368</u>	<u>382,305</u>	<u>(359,657)</u>	<u>(37,426)</u>	<u>415,442</u>
Total unrestricted funds	355,368	382,305	(359,657)	(37,426)	415,442

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	