

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	(Appointed 29 May 2023)
	N J Dixon	(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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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

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

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	<u>326,736</u>	<u>277,901</u>

5 Other trading activities

	2022 £	2021 £
Fundraising events	<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
	<u>32,820</u>	<u>36,491</u>

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	-
	<u>324,341</u>	<u>205,340</u>

Share of support costs (see note 9)	164,909	147,588
Share of governance costs (see note 9)	2,549	2,449
	<u>167,458</u>	<u>150,037</u>
	<u>491,799</u>	<u>355,377</u>

Analysis by fund

Unrestricted funds	491,799	241,556
Restricted funds	-	113,821
	<u>491,799</u>	<u>355,377</u>

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
	<u>164,909</u>	<u>2,549</u>	<u>167,458</u>	<u>150,037</u>
Analysed between				
Charitable activities	<u>164,909</u>	<u>2,549</u>	<u>167,458</u>	<u>150,037</u>

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>433,725</u>	<u>55,758</u>	<u>124,875</u>	<u>614,358</u>
At 31 December 2022				
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>176,952</u>	<u>44,011</u>	<u>-</u>	<u>220,963</u>
At 31 December 2022				
Carrying amount				
At 31 December 2022	<u>256,773</u>	<u>11,747</u>	<u>124,875</u>	<u>393,395</u>
At 31 December 2021	<u>248,709</u>	<u>13,820</u>	<u>124,000</u>	<u>386,529</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
Carrying amount	
At 31 December 2022	25,000
At 31 December 2021	25,000

	Notes	2022 £	2021 £
Other investments comprise:			
Investments in subsidiaries	24	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 2022 amounted to £25,000 (2021:£25,000)

14 Stocks

	2022 £	2021 £
Raw materials and consumables	7,124	2,497

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
	67,083	90,988

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
		<u>78,969</u>	<u>72,798</u>

17 Deferred income

	2022 £	2021 £
Other deferred income	7,031	9,485
	<u>7,031</u>	<u>9,485</u>

	2022 £	2021 £
Current liabilities	7,031	9,485
	<u>7,031</u>	<u>9,485</u>

Movement in the year	2022 £	2021 £
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
	<u>7,031</u>	<u>9,485</u>
At 31 December 2022	7,031	9,485
	<u>7,031</u>	<u>9,485</u>

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

18 Loans and overdrafts

	2022 £	2021 £
Other loans	-	2,698
	<u>-</u>	<u>2,698</u>
Payable within one year	-	2,698
	<u>-</u>	<u>2,698</u>

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 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
Designated funds	66,000	-	-	66,000
General funds	602,663	480,620	(524,619)	558,664
Total unrestricted funds	668,663	480,620	(524,619)	624,664

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

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	