

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

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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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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

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

EAST SOMERSET RAILWAY COMPANY LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2023

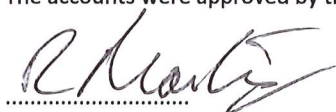
The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2023.

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
	53,996	37,737

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

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
	<u>313,809</u>	<u>324,341</u>
Share of support costs (see note 9)	199,385	164,909
Share of governance costs (see note 9)	2,631	2,549
	<u>515,825</u>	<u>491,799</u>
Analysis by fund		
Unrestricted funds	<u>515,825</u>	<u>491,799</u>
	<u>515,825</u>	<u>491,799</u>

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	540,366	56,865	142,195	739,426
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	228,674	45,938	-	274,612
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>7</u>	<u>7</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>75,691</u>	<u>70,423</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

18 Creditors: amounts falling due within one year

	Notes	2023 £	2022 £
Other taxation and social security		746	122
Deferred income	19	7,359	7,031
Trade creditors		14,554	60,536
Other creditors		165	126
Accruals		24,454	11,154
		<u>47,278</u>	<u>78,969</u>

19 Deferred income

	2023 £	2022 £
Other deferred income	7,359	7,031
	<u>7,359</u>	<u>7,031</u>

	2023 £	2022 £
Current liabilities	7,359	7,031
	<u>7,359</u>	<u>7,031</u>

Movement in the year	2023 £	2022 £
At 1 January 2023	7,031	9,485
Amount released to income earned from charitable activities	(7,031)	(9,485)
Amount deferred in the year	7,359	7,031
	<u>7,359</u>	<u>7,031</u>
At 31 December 2023	7,359	7,031

Deferred income relates to vouchers purchased in 2023 to be used in 2024.

20 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 £638 (2022:£540).

At 31 December 2023, the charity had a liability for pension payment owing of £165 (2022:£126).

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
			<u> </u>
Carrying amount			
At 31 December 2023			25,000
			<u> </u>
At 31 December 2022			25,000
			<u> </u>
Other investments comprise:	Notes	2023	2022
		£	£
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 2023 amounted to £25,000 (2022:£25,000)

16 Stocks

	2023	2022
	£	£
Raw materials and consumables	3,300	7,124
	<u> </u>	<u> </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> </u>	<u> </u>
	68,806	67,083
	<u> </u>	<u> </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	-

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.

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

Prior year	Balance at 1 January 2022	Movement in funds		Balance at 31 December 2022
	£	Incoming Resources	Resources Expended	£
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

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)
	Cash generated from operations	114,645	26,492
		<u> </u>	<u> </u>
26	Analysis of changes in net funds		
	The charity had no material debt during the year.		

