

Charity registration number: 292240

Phyllis Rampton Narrow Gauge Railway Trust

Annual Report and Financial Statements

for the Year Ended 31 December 2020

MMO Chartered Accountants
Wellesley House
204 London Road
Waterlooville
Hampshire
PO7 7AN

Phyllis Rampton Narrow Gauge Railway Trust

Contents

Reference and Administrative Details	1
Trustees' Report	2 to 3
Independent Auditors' Report	4 to 6
Consolidated Statement of Financial Activities	7 to 8
Consolidated Balance Sheet	9
Balance Sheet	10
Notes to the Financial Statements	11 to 32

Phyllis Rampton Narrow Gauge Railway Trust

Reference and Administrative Details

Trustees	N Acomb
	A Archer
	C S Langer
Principal Office	Markwick Farm
	Loxhill
	Godalming
	Surrey
	GU8 4BE
Charity Registration Number	292240
Bankers	HSBC Plc
	110 High Street
	Godalming
	Surrey
	GU7 1DP
Auditor	MMO Chartered Accountants
	Wellesley House
	204 London Road
	Waterlooville
	Hampshire PO7 7AN

Phyllis Rampton Narrow Gauge Railway Trust

Trustees' Report

The Trustees submit their annual report and the audited financial statements of Phyllis Rampton Narrow Gauge Railway Trust (the charity) for the year ended 31 December 2018. The trustees confirm that the annual report and financial statements of the charity comply with current statutory requirements, the requirements of the charity's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and reporting by charities".

Constitution

The Phyllis Rampton Narrow Gauge Railway Trust was founded in 1985 by a Declaration of Trust. The Trust is a registered charity (charity number 292240).

Method of appointment or election of Trustees

The management of the charity is the responsibility of the Trustees who are elected and co-opted under the terms of the trust.

Organisational structure and decision making

The Trustees meet at least annually, at which the long term strategy and general policy of the charity are determined.

Risk management

The Trustees have examined the major strategic, business and operational risks which the charity faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen the risks.

Policies and objectives

The objectives shall preserve, exhibit, display and to loan for demonstration for the public benefit and for the advancement of technical, historical and general education about steam and other railway locomotives, rolling stock, equipment, machines and relics which are (a) of historical, operational and of general interest and in addition (b) of educational value.

Achievements and performance

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 when preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

Review of activities

The Charity continued to make loans to the Vale of Rheidol Railway Limited (registered charity number 1076037) for the purchase and restoration of rolling stock. The Trustees are still considering converting the loan to a gift from the trust to the company. The loan stood at £4,271,372 as at 31 December 2020 (£4,137,867 as at 31 December 2019) and it is anticipated that the company will covenant the whole trading profits to the charity but only when the company deficits have been extinguished.

Phyllis Rampton Narrow Gauge Railway Trust

Trustees' Report

Investment policy and performance

Investment decisions are taken by the trustees in conjunction with the investment advisors and it is the intention to maximise the income and capital returns on investment from a mixed risk portfolio.

Financial review

Reserves policy

It is the policy of the charity to maintain restricted funds which are free reserves of the charity at a level which provides sufficient funds to cover management, administration and support costs.

Principal funding

The funds of the charity come from the income generated from its portfolio of investments and interest earned on bank deposits.

Plans for the future

Future developments

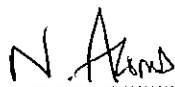
The charity will continue to maximise the returns on the investment portfolio to provide sufficient funds to meet the expenditure requirements of the Vale of Rheidol Railway Ltd, its subsidiary undertaking.

Public benefit

Phyllis Rampton Narrow Gauge Railway Trust supports the work of the Vale of Rheidol Railway Limited. The railway operates to demonstrate the operation of a Victorian narrow gauge railway for the benefit of the public.

The Vale of Rheidol Railway is open to all members of the public. The public can benefit from and see the preserved locomotives, stations and rolling stock in operation. They are available to be viewed on open days without charge. Fare concessions are also available for travel on the railway.

The annual report was approved by the trustees of the charity on 23/9/21 and signed on its behalf by:



N Acomb
Trustee

Phyllis Rampton Narrow Gauge Railway Trust

Independent Auditor's Report to the Members of Phyllis Rampton Narrow Gauge Railway Trust

Opinion

We have audited the financial statements of Phyllis Rampton Narrow Gauge Railway Trust (the 'charitable parent trust') and its subsidiaries (the 'group') for the year ended 31 December 2020, which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Balance Sheet and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as at 31 December 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Phyllis Rampton Narrow Gauge Railway Trust

Independent Auditor's Report to the Members of Phyllis Rampton Narrow Gauge Railway Trust

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the and Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the and Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and the parent charitable trust and its environment obtained in the course of the audit, we have not identified material misstatements in the and the Trustees' Report .

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Auditor's responsibilities for the audit of the financial statements

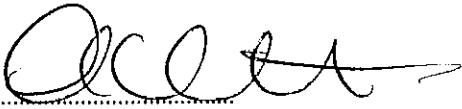
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee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

Use of our report

This report is made solely to the charitable parent's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the group's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable parent company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Phyllis Rampton Narrow Gauge Railway Trust

Independent Auditor's Report to the Members of Phyllis Rampton Narrow Gauge Railway Trust



Gillian McIntosh (Senior Statutory Auditor)

For and on behalf of MMO Chartered Accountants , Statutory Auditor

Wellesley House
204 London Road
Waterlooville
Hampshire
PO7 7AN

Date:.....

Phyllis Rampton Narrow Gauge Railway Trust

**Consolidated Statement of Financial Activities for the Year Ended 31 December 2020
(Including Consolidated Income and Expenditure Account and Statement of Total
Recognised Gains and Losses)**

	Note	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2020 £
Income and Endowments from:					
Donations and legacies	2	296,505	-	-	296,505
Charitable activities		11,931	-	-	11,931
Other trading activities	3	37,046	-	-	37,046
Investment income	4	83,525	-	-	83,525
Total income		<u>429,007</u>	<u>-</u>	<u>-</u>	<u>429,007</u>
Expenditure on:					
Raising funds		(77,623)	-	-	(77,623)
Charitable activities	5	<u>(409,955)</u>	<u>-</u>	<u>-</u>	<u>(409,955)</u>
Total expenditure		<u>(487,578)</u>	<u>-</u>	<u>-</u>	<u>(487,578)</u>
Gains/losses on investment assets		13,255	-	-	13,255
Net expenditure		<u>(45,316)</u>	<u>-</u>	<u>-</u>	<u>(45,316)</u>
Net movement in funds		(45,316)	-	-	(45,316)
Reconciliation of funds					
Total funds brought forward		<u>9,428,193</u>	<u>651,551</u>	<u>633,650</u>	<u>10,713,394</u>
Total funds carried forward	18	<u>9,382,877</u>	<u>651,551</u>	<u>633,650</u>	<u>10,668,078</u>

The notes on pages 11 to 32 form an integral part of these financial statements.

Phyllis Rampton Narrow Gauge Railway Trust

Consolidated Statement of Financial Activities for the Year Ended 31 December 2020 (Including Consolidated Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2019 £
Income and Endowments from:					
Donations and legacies	2	838,826	-	-	838,826
Charitable activities		555,651	-	-	555,651
Other trading activities	3	241,235	-	-	241,235
Investment income	4	402,469	-	-	402,469
Total income		<u>2,038,181</u>	<u>-</u>	<u>-</u>	<u>2,038,181</u>
Expenditure on:					
Raising funds		(339,677)	-	-	(339,677)
Charitable activities	5	<u>(1,098,337)</u>	<u>-</u>	<u>-</u>	<u>(1,098,337)</u>
Total expenditure		<u>(1,438,014)</u>	<u>-</u>	<u>-</u>	<u>(1,438,014)</u>
Gains/losses on investment assets		<u>(98,339)</u>	<u>-</u>	<u>-</u>	<u>(98,339)</u>
Net income		<u>501,828</u>	<u>-</u>	<u>-</u>	<u>501,828</u>
Net movement in funds		501,828	-	-	501,828
Reconciliation of funds					
Total funds brought forward		<u>8,926,365</u>	<u>651,551</u>	<u>633,650</u>	<u>10,211,566</u>
Total funds carried forward	18	<u>9,428,193</u>	<u>651,551</u>	<u>633,650</u>	<u>10,713,394</u>

All of the group's activities derive from continuing operations during the above two periods.

The funds breakdown for 2019 is shown in note 18.

The notes on pages 11 to 32 form an integral part of these financial statements.

Phyllis Rampton Narrow Gauge Railway Trust

Consolidated Balance Sheet as at 31 December 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	11	3,501,037	3,275,602
Heritage assets	12	3,303,362	3,303,362
Investments		<u>3,295,294</u>	<u>3,370,215</u>
		<u>10,099,693</u>	<u>9,949,179</u>
Current assets			
Stocks	14	83,883	46,710
Debtors	15	56,089	130,838
Cash at bank and in hand	16	<u>935,514</u>	<u>741,137</u>
		1,075,486	918,685
Creditors: Amounts falling due within one year	17	<u>(483,602)</u>	<u>(130,971)</u>
Net current assets		<u>591,884</u>	<u>787,714</u>
Total assets less current liabilities		10,691,577	10,736,893
Creditors: Amounts falling due after more than one year		<u>(23,499)</u>	<u>(23,499)</u>
Net assets		<u>10,668,078</u>	<u>10,713,394</u>
Funds of the group:			
Endowment funds		633,650	633,650
Restricted income funds			
Restricted funds	18	651,551	651,551
Unrestricted income funds			
Unrestricted funds		<u>9,382,877</u>	<u>9,428,193</u>
Total funds	18	<u>10,668,078</u>	<u>10,713,394</u>

The financial statements on pages 7 to 32 were approved by the trustees, and authorised for issue on 23/9/2021 and signed on their behalf by:



N Acomb
Trustee

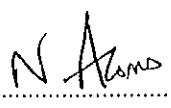
The notes on pages 11 to 32 form an integral part of these financial statements.

Phyllis Rampton Narrow Gauge Railway Trust

Balance Sheet as at 31 December 2020

	Note	2020 £	2019 £
Fixed assets			
Heritage assets	12	10,100	10,100
Investments		<u>3,233,277</u>	<u>3,310,842</u>
		<u>3,243,377</u>	<u>3,320,942</u>
Current assets			
Debtors	15	4,271,372	4,137,867
Cash at bank and in hand	16	<u>544,546</u>	<u>506,351</u>
		4,815,918	4,644,218
Creditors: Amounts falling due within one year	17	<u>(6,282)</u>	<u>(6,280)</u>
Net current assets		<u>4,809,636</u>	<u>4,637,938</u>
Net assets		<u>8,053,013</u>	<u>7,958,880</u>
Funds of the charity:			
Unrestricted income funds			
Unrestricted funds		<u>8,053,013</u>	<u>7,958,880</u>
Total funds	18	<u>8,053,013</u>	<u>7,958,880</u>

The financial statements on pages 7 to 32 were approved by the trustees, and authorised for issue on 23/9/2021 and signed on their behalf by:



 N Acomb
 Trustee

The notes on pages 11 to 32 form an integral part of these financial statements.

Phyllis Rampton Narrow Gauge Railway Trust

Notes to the Financial Statements for the Year Ended 31 December 2020

1 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

The financial statements have been prepared in accordance with 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 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also comply with the Companies Act 2006 and Charities Act 2011.

Basis of preparation

Phyllis Rampton Narrow Gauge Railway Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the charity and its subsidiary undertakings drawn up to 31 December 2020.

No statement of financial activities is presented for the charity as permitted by section 408 of the Companies Act 2006.

Phyllis Rampton Narrow Gauge Railway Trust

Notes to the Financial Statements for the Year Ended 31 December 2020

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

The results of subsidiaries acquired or disposed of during the year are included in the statement of financial activities from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the charity and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Exemption from preparing a cash flow statement

The charity opted to early adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

Going concern

The trustees consider that there are no material uncertainties about the group's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the group.

Income and endowments

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

Phyllis Rampton Narrow Gauge Railway Trust

Notes to the Financial Statements for the Year Ended 31 December 2020

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Legacy gifts are recognised on a case by case basis following the grant of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title to the asset having been transferred to the charity.

Grants receivable

Grants are recognised when the group has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Deferred income

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which, it has been received. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

Investment income

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 payable by the bank.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Phyllis Rampton Narrow Gauge Railway Trust

Notes to the Financial Statements for the Year Ended 31 December 2020

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees's meetings and reimbursed expenses.

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charity for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets

Individual fixed assets of any value are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Work completed in the restoration of assets is funded by surpluses from the Group.

Heritage assets

Owing to the unique nature of heritage assets, the costs of obtaining valuations would be onerous compared with the corresponding benefits to the Group. The heritage assets are therefore recorded at original cost and are not depreciated. The objective of the heritage assets is to display them in the proposed museum. As much documentation as to the provenance of heritage assets is obtained and retained by the Group. Access to the assets is carefully managed in order for preservation.

Phyllis Rampton Narrow Gauge Railway Trust

Notes to the Financial Statements for the Year Ended 31 December 2020

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Land and buildings	Buildings that are under considerable maintenance are not depreciated, others are at rates from 7 to 50 years straight line basis
Plant and machinery	10% or 20% or 25% straight line basis
Motor vehicles	20% straight line basis
Civil engineering and track	2% straight line basis on track only

Business combinations

Business combinations are accounted for under the purchase method. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the group. All intra-group transactions, balances, income and expenses are eliminated on consolidation. In accordance with Section 35 of FRS 102, Section 19 of FRS 102 has not been applied in these financial statements in respect of business combinations effected prior to the date of transition.

Fixed asset investments

Fixed asset investments, other than programme related investments, are included at market value at the balance sheet date. Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the market value at the year end.

Stock

Stock is valued at the lower of cost and estimated selling price less costs to complete and sell, after due regard for obsolete and slow moving stocks. Cost is determined using the first-in, first-out (FIFO).

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Phyllis Rampton Narrow Gauge Railway Trust

Notes to the Financial Statements for the Year Ended 31 December 2020

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Phyllis Rampton Narrow Gauge Railway Trust

Notes to the Financial Statements for the Year Ended 31 December 2020

Foreign exchange

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

The results of overseas operations are translated at the average rates of exchange during the period and their balance sheets at the rates ruling at the balance sheet date. Exchange differences arising on translation of the opening net assets and results of overseas operations are reported in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

Other exchange differences are recognised in the Statement of Financial Activities in the period in which they arise except for:

- 1) exchange differences on transactions entered into to hedge certain foreign currency risks (see above);
- 2) exchange differences arising on gains or losses on non-monetary items which are recognised in other comprehensive income; and
- 3) in the case of the consolidated financial statements, exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised in other comprehensive income and reported under equity.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees's discretion in furtherance of the objectives of the group.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the group becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Phyllis Rampton Narrow Gauge Railway Trust

Notes to the Financial Statements for the Year Ended 31 December 2020

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the group, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Phyllis Rampton Narrow Gauge Railway Trust

Notes to the Financial Statements for the Year Ended 31 December 2020

Debt instruments

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

(a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.

(b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.

(c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).

(d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.

(e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.

(f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Investments

Investments in non-convertible preference shares and non-puttable ordinary or preference shares (where shares are publicly traded or their fair value is reliably measurable) are measured at fair value through profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

Investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

Phyllis Rampton Narrow Gauge Railway Trust

Notes to the Financial Statements for the Year Ended 31 December 2020

Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

2 Income from donations and legacies

	Unrestricted funds General £	Total funds £
Donations and legacies;		
Donations from individuals	13,826	13,826
Legacies	149,431	149,431
Grants, including capital grants;		
Government grants	133,248	133,248
Total for 2020	296,505	296,505
Total for 2019	838,826	838,826

3 Income from other trading activities

	Unrestricted funds General £	Total funds £
Trading income;		
Other trading income	16,094	16,094
Other income from other trading activities	20,952	20,952
Total for 2020	37,046	37,046
Total for 2019	241,235	241,235

Phyllis Rampton Narrow Gauge Railway Trust

Notes to the Financial Statements for the Year Ended 31 December 2020

4 Investment income

	Unrestricted funds General £	Total funds £
Income from dividends;		
Dividends receivable from other listed investments	71,846	71,846
Other income from fixed asset investments	<u>11,679</u>	<u>11,679</u>
Total for 2020	<u>83,525</u>	<u>83,525</u>
Total for 2019	<u>402,469</u>	<u>402,469</u>

5 Expenditure on charitable activities

	Note	Unrestricted funds General £	Total funds £
Train fares		76,453	76,453
Staff costs		15,599	15,599
Allocated support costs	6	150,901	150,901
Governance costs	6	<u>167,002</u>	<u>167,002</u>
Total for 2020		<u>409,955</u>	<u>409,955</u>
Total for 2019		<u>1,098,337</u>	<u>1,098,337</u>

In addition to the expenditure analysed above, there are also governance costs of £167,002 (2019 - £292,593) which relate directly to charitable activities. See note 6 for further details.

Phyllis Rampton Narrow Gauge Railway Trust

Notes to the Financial Statements for the Year Ended 31 December 2020

6 Analysis of governance and support costs

Governance costs

	Unrestricted funds General £	Total funds £
Staff costs		
Wages and salaries	71,058	71,058
Audit fees		
Audit of the financial statements	4,443	4,443
Legal fees	3,050	3,050
Marketing and publicity	13,504	13,504
Depreciation, amortisation and other similar costs	64,747	64,747
Other governance costs	10,200	10,200
Total for 2020	167,002	167,002
Total for 2019	292,593	292,593

7 Trustees remuneration and expenses

During the year the group made the following transactions with trustees:

No trustees, nor any persons connected with them, have received any remuneration from the group during the year.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

Phyllis Rampton Narrow Gauge Railway Trust

Notes to the Financial Statements for the Year Ended 31 December 2020

8 Staff costs

The aggregate payroll costs were as follows:

	2020 £	2019 £
Staff costs during the year were:		
Wages and salaries	89,350	324,431
Other staff costs	10	5,251
	<u>89,360</u>	<u>329,682</u>

The monthly average number of persons (including senior management team) employed by the group during the year expressed as full time equivalents was as follows:

	2020 No	2019 No
Operation of the railway	34	35
Administration and support	5	6
	<u>39</u>	<u>41</u>

29 (2019 - 29) of the above employees participated in the Defined Contribution Pension Schemes.

0 (2019 - 0) of the above employees participated in the Defined Benefit Pension Schemes.

No employee received emoluments of more than £60,000 during the year .

9 Auditors' remuneration

	2020 £	2019 £
Audit of the financial statements	<u>4,443</u>	<u>5,708</u>

10 Taxation

The group is a registered charity and is therefore exempt from taxation.

Phyllis Rampton Narrow Gauge Railway Trust

Notes to the Financial Statements for the Year Ended 31 December 2020

11 Tangible fixed assets

Group

	Land and buildings £	Furniture and equipment £	Total £
Cost			
At 1 January 2020	2,822,988	1,245,409	4,068,397
Additions	-	290,182	290,182
At 31 December 2020	<u>2,822,988</u>	<u>1,535,591</u>	<u>4,358,579</u>
Depreciation			
At 1 January 2020	186,820	605,975	792,795
Charge for the year	<u>34,012</u>	<u>30,735</u>	<u>64,747</u>
At 31 December 2020	<u>220,832</u>	<u>636,710</u>	<u>857,542</u>
Net book value			
At 31 December 2020	<u>2,602,156</u>	<u>898,881</u>	<u>3,501,037</u>
At 31 December 2019	<u>2,636,168</u>	<u>639,434</u>	<u>3,275,602</u>

Phyllis Rampton Narrow Gauge Railway Trust

Notes to the Financial Statements for the Year Ended 31 December 2020

12 Heritage assets

Group

	Other heritage asset class 1 £	Total £
Cost		
At 1 January 2020	<u>3,303,362</u>	<u>3,303,362</u>
At 31 December 2020	3,303,362	3,303,362
Depreciation		
At 31 December 2020	<u>-</u>	<u>-</u>
Net book value		
At 31 December 2020	<u>3,303,362</u>	<u>3,303,362</u>

Charity

	Other heritage asset class 1 £	Total £
Cost		
At 1 January 2020	<u>3,303,362</u>	<u>3,303,362</u>
At 31 December 2020	3,303,362	3,303,362
Depreciation		
At 31 December 2020	<u>-</u>	<u>-</u>
Net book value		
At 31 December 2020	<u>3,303,362</u>	<u>3,303,362</u>

Phyllis Rampton Narrow Gauge Railway Trust

Notes to the Financial Statements for the Year Ended 31 December 2020

13 Fixed asset investments

Group

	2020 £	2019 £
Shares in group undertakings and participating interests	506,756	506,756
Other investments	<u>2,788,538</u>	<u>2,863,459</u>
	<u>3,295,294</u>	<u>3,370,215</u>

Shares in group undertakings and participating interests

	Subsidiary undertakings £	Total £
Cost		
At 1 January 2020	<u>506,756</u>	<u>506,756</u>
At 31 December 2020	<u>506,756</u>	<u>506,756</u>
Net book value		
At 31 December 2020	<u>506,756</u>	<u>506,756</u>
At 31 December 2019	<u>506,756</u>	<u>506,756</u>

Phyllis Rampton Narrow Gauge Railway Trust

Notes to the Financial Statements for the Year Ended 31 December 2020

Other investments

	Listed Investments £	Total £
Cost or Valuation		
At 1 January 2020	2,863,459	2,863,459
Revaluation	295,561	295,561
Additions	5,666	5,666
Disposals	(13,511)	(13,511)
At 31 December 2020	<u>3,151,175</u>	<u>3,151,175</u>
Provision for impairment		
Eliminated on disposal	<u>362,637</u>	<u>362,637</u>
At 31 December 2020	<u>362,637</u>	<u>362,637</u>
Net book value		
At 31 December 2020	<u>2,788,538</u>	<u>2,788,538</u>
At 31 December 2019	<u>2,863,459</u>	<u>2,863,459</u>

Phyllis Rampton Narrow Gauge Railway Trust

Notes to the Financial Statements for the Year Ended 31 December 2020

Charity

	2020 £	2019 £
Shares in group undertakings and participating interests	506,756	506,756
Other investments	<u>2,788,538</u>	<u>2,863,459</u>
	<u>3,295,294</u>	<u>3,370,215</u>

Shares in group undertakings and participating interests

	Subsidiary undertakings £	Total £
Cost		
At 1 January 2020	<u>506,756</u>	<u>506,756</u>
At 31 December 2020	<u>506,756</u>	<u>506,756</u>
Net book value		
At 31 December 2020	<u>506,756</u>	<u>506,756</u>
At 31 December 2019	<u>506,756</u>	<u>506,756</u>

Other investments

	Listed investments £	Total £
Cost or Valuation		
At 1 January 2020	2,804,086	2,804,086
Revaluation	<u>285,072</u>	<u>285,072</u>
At 31 December 2020	<u>3,089,158</u>	<u>3,089,158</u>
Provision for impairment		
Eliminated on disposal	<u>362,637</u>	<u>362,637</u>
At 31 December 2020	<u>362,637</u>	<u>362,637</u>
Net book value		
At 31 December 2020	<u>2,726,521</u>	<u>2,726,521</u>
At 31 December 2019	<u>2,804,086</u>	<u>2,804,086</u>

Phyllis Rampton Narrow Gauge Railway Trust

Notes to the Financial Statements for the Year Ended 31 December 2020

Details of undertakings

Details of the investments in which the charity holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held		Principal activity
			2020	2019	
Subsidiary undertakings					
Vale of Rheidol Railway Limited	England & Wales	Ordinary	99%	99%	Operation of heritage railway

14 Stock

	Group		Charity
	2020	2019	2020
	£	£	£
Stocks	83,883	46,710	-

15 Debtors

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Trade debtors	32,315	31,698	-	-
Due from group undertakings	-	-	4,271,372	4,137,867
Prepayments	450	450	-	-
VAT recoverable	13,591	66,413	-	-
Other debtors	9,733	32,277	-	-
	<u>56,089</u>	<u>130,838</u>	<u>4,271,372</u>	<u>4,137,867</u>

16 Cash and cash equivalents

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Cash on hand	3,555	4,859	-	-
Cash at bank	931,959	736,278	544,546	506,351
	<u>935,514</u>	<u>741,137</u>	<u>544,546</u>	<u>506,351</u>

Phyllis Rampton Narrow Gauge Railway Trust

Notes to the Financial Statements for the Year Ended 31 December 2020

17 Creditors: amounts falling due within one year

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
Trade creditors	13,234	26,318	-	-
Hire purchase and finance leases	3,574	7,989	-	-
Other taxation and social security	54,376	64,994	-	-
VAT grant repayable	2,734	13,651	-	-
Other creditors	386,372	-	-	-
Accruals	22,062	16,769	6,282	6,280
Deferred income	1,250	1,250	-	-
	<u>483,602</u>	<u>130,971</u>	<u>6,282</u>	<u>6,280</u>

18 Funds

Group

	Balance at 1 January 2020 £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Balance at 31 December 2020 £
Unrestricted funds					
<i>General</i>					
Unrestricted funds	9,428,193	429,007	(487,578)	13,255	9,382,877
Restricted funds					
Restricted funds	651,551	-	-	-	651,551
<i>Expendable</i>					
Endowment funds	<u>633,650</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>633,650</u>
	<u>633,650</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>633,650</u>
Total funds	<u>10,713,394</u>	<u>429,007</u>	<u>(487,578)</u>	<u>13,255</u>	<u>10,668,078</u>

Phyllis Rampton Narrow Gauge Railway Trust

Notes to the Financial Statements for the Year Ended 31 December 2020

	Balance at 1 January 2019 £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Balance at 31 December 2019 £
Unrestricted funds					
<i>General</i>					
Unrestricted funds	8,926,364	2,038,181	(1,438,014)	(98,338)	9,428,193
Restricted funds					
Restricted funds	651,551	-	-	-	651,551
<i>Expendable</i>					
Endowment funds	633,650	-	-	-	633,650
	633,650	-	-	-	633,650
Total funds	<u>10,211,565</u>	<u>2,038,181</u>	<u>(1,438,014)</u>	<u>(98,338)</u>	<u>10,713,394</u>

Phyllis Rampton Narrow Gauge Railway Trust

Notes to the Financial Statements for the Year Ended 31 December 2020

Charity

	Balance at 1 January 2020 £	Incoming resources £	Other recognised gains/(losses) £	Balance at 31 December 2020 £
Unrestricted funds				
<i>General</i>				
Unrestricted funds	<u>7,958,880</u>	<u>80,881</u>	<u>13,252</u>	<u>8,053,013</u>

	Balance at 1 January 2019 £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Balance at 31 December 2019 £
Unrestricted funds					
<i>General</i>					
Unrestricted funds	<u>7,672,973</u>	<u>402,469</u>	<u>(18,224)</u>	<u>(98,338)</u>	<u>7,958,880</u>

The specific purposes for which the funds are to be applied are as follows:

The endowment fund relates to assets from British Rail as at 1 April 1989.

Restricted funds include grants received from the Welsh Assembly Government for the ongoing running costs of the shed and workshop.