

Charity registration number 298142

Company registration number 02193894 (England and Wales)

THE DIESEL AND ELECTRIC PRESERVATION GROUP LTD
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

THE DIESEL AND ELECTRIC PRESERVATION GROUP LTD

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	A W Royal	
	P J Tucker	
	T D Courtney-Clark	(Appointed 22 July 2022)
	N McCannon	
	M N Howard	
	I W Robins	(Appointed 3 September 2022)
Secretary	I W Robins	
Charity number	298142	
Company number	02193894	
Registered office and operational address	The Old Goods Shed Williton Station Williton Somerset United Kingdom TA4 4RQ	
Independent examiner	Matthew Webb FCA Azets Audit Services Woodlands Court Truro Business Park Threemilestone Truro United Kingdom TR4 9NH	
Bankers	Unity Trust Bank UK plc 9 Brindley Place Birmingham United Kingdom B1 2HB	
	Santander UK plc Bridle Road Bootle Merseyside L30 4GB	

THE DIESEL AND ELECTRIC PRESERVATION GROUP LTD

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THE DIESEL AND ELECTRIC PRESERVATION GROUP LTD

TRUSTEES REPORT (INCLUDING DIRECTOR'S REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2021

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

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's Memorandum and Articles of Association, 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 Diesel & Electric Preservation Group Limited ("the Company or Charity"), also known as the D&EPG, is a Private Company Limited by Guarantee registered in England & Wales at Companies House (registration number 02193894) and incorporated on 16th November 1987. The Company is also a registered charity (registered with The Charity Commission for England & Wales, registration number 298142), whose principal activity is to advance the education of the public in the history and development of diesel traction on the railways of the West of England by the preservation and operation of diesel traction, particularly as it relates to the West of England.

The Charity's principal office and registered address is The Old Goods Shed, Williton Station, Williton, SOMERSET, TA4 4RQ.

Objectives and activities

The Company and Charity meets its principal activity by maintaining and operating a Diesel Traction Depot at Williton on the West Somerset Railway, which is home to the Charity's own fleet of six former British Rail mainline diesel locomotives dating from the early 1960s. The D&EPG also manages under contract an additional two ex-BR locomotives based at Williton that are in the private ownership of a group member. The fleet regularly operates both public service and infrastructure trains on The West Somerset Railway (WSR).

The late 1950s / early 1960s represent a very distinct and important period of change on Britain's railways as a result of the post-war Modernisation Plan and the wholesale replacement of steam traction with early diesel locomotives, especially on the former British Railways Western Region where a unique approach was adopted. The D&EPG believes that it is both educationally and historically important that our locomotives from this period are able to be demonstrated to the public in a living, working heritage setting.

The D&EPG fulfils a crucial supporting role to the WSR plc, making locomotives available to them on an as required basis and in support of their operations 365 days a year. Operating our depot and locomotives also enables both current and former railway staff to retain, develop and share their skills with colleagues and the general public and provides an exceptional environment of camaraderie including occasional social events and networking with other heritage railways and operating groups.

The diesel depot is staffed on Tuesdays, Saturdays and occasional other days by a core of some 20 active volunteers, of whom approximately half are currently professional or former professional railway staff and who are drawn from a nationwide membership of well over two hundred supporting members. The charity's depot is frequently open to the public for viewing as operational considerations and safety permit.

The Charity's income has traditionally been derived primarily from mileage payments from the WSR plc for locomotives miles operated (£19,591 during 2021, 2020: £1,057) and from membership dues and donations received (£35,240 including gift aid, 2020: £13,182).

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

THE DIESEL AND ELECTRIC PRESERVATION GROUP LTD

TRUSTEES REPORT (INCLUDING DIRECTOR'S REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Achievements and performance

Financial review

The restrictive operating environment of 2020 continued into the first quarter of 2021, but the situation improved as the lockdowns eased, gradually allowing work to resume at our Williton depot. The initial focus was to ensure that at least two of our locomotives were available for hire - but running opportunities on the West Somerset Railway (WSR) were very limited in the first half of 2021, with most workings being for crew refresher training.

By June, discussions were under way with two other heritage railways with a view to placing one locomotive with each of them on long-term hire. This resulted in Class 14 'Teddy Bear' D9526 moving to the Kent & East Sussex Railway (K&ESR) on the 1st of July 2021 and Class 47 D1661 47077 'NORTH STAR' moving to Bishops Lydeard to await road transportation to the North Yorkshire Moors Railway (NYMR).

The Class 14 went into service on the K&ESR immediately and was in regular use there for the rest of the year, earning £4,995 in second half of 2021 (2020: £nil) but the Class 47 move was delayed due to road transportation restrictions and the loco did not reach the NYMR until January 2022. Diesel locomotive running on the WSR improved from the mid-year with regular earning opportunities including the Christmas 'Winterlights' trains resulting in mileage receipts of £14,596 (2020: £1,057) which when added to the earnings from the K&ESR gave a total locomotive running income of £19,591 (2020: £1,057).

Donations recovered to £31,173 (2020: £9,260) including contributions totalling £15,342 to two targeted fund-raising campaigns that were launched in July 2021, one for the restoration of Class 14 'Teddy Bear' D9518 (£5,687) and the other for the restoration of D1010 'WESTERN CAMPAIGNER' (£9,655). Donations to these two funds are classified as Restricted Funds and can only be applied to the project for which they were donated. After deducting expenditure on parts and materials for each project (D9518: £5,687 : D1010: £1,002), the residual balance of £8,653 has been carried forward to 2022 as a restricted fund (D9518: £0 and D1010: £8,653).

The Company established a new income stream in February 2021 when the DEPG online store went live, offering a range of DEPG-branded merchandise including books, clothing and collectibles. The store included a means to take out or renew memberships and also to make donations to funds, both general and restricted. The turnover of the store reached £11,053 in its first year and delivered a contribution of more than £4,319 net of costs.

The number of members increased during the year, partly due to the increased promotional effort raising the profile of the DEPG with the general public, and partly by encouraging membership through the option to join online. The administration of overdue and expired memberships was not performed as effectively, so overall receipts of £4,067 (2020: £3,922) show only a small increase over the prior year, but action has since been taken to automate this process.

A very welcome consequence of the increase in new members was an influx of new volunteers to attend at our Williton depot and assist in the rate at which restoration projects can be progressed and in some cases, add to our pool of footplate crew trainees. Even more encouraging is the boost in the number of young members and especially younger volunteers, keen to build their knowledge and skills while working with the experienced hands.

The Company has successfully accessed Local Government grants totalling £9,000 through the Additional Restrictions Grant scheme as a partial offset to the impact of lockdowns that affected our principal customer, the West Somerset Railway. The Covid restrictions resulted in fewer running opportunities and the cancellation of the 2021 Diesel Gala. The Company accessed the Bounce Back Loan Scheme in 2020 and continues to hold the £15,000 loan as a contingency, pending a return to normality.

The Old Goods Shed at Williton has been taken out of use due to further deterioration of the roof structure. Plans for the restoration and change of use of this 1862 Grade II listed structure are in progress but quotations and funding sources have not yet been established, so this liability remains contingent (refer note 19).

Considering all sources of income and after deducting expenditure, the result was an operating surplus of £23,499 (2020: deficit of £3,445) including restricted fund growth of £8,653 (2020: £nil) which was allocated to the appropriate reserves for planned projects and major locomotive overhauls upcoming in future years.

THE DIESEL AND ELECTRIC PRESERVATION GROUP LTD

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

It is the policy of the D&EPG that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The Trustees consider that reserves at this level will ensure that, in the event of a significant drop in income, they will be able to continue the D&EPG's current activities while consideration is given to ways in which additional funds may be raised or expenditure reduced. This level of reserves has been maintained throughout the year.

The Trustees have re-assessed the major risks to which the Group is exposed and are satisfied that systems are in place to mitigate exposure to these risks.

At the end of 2021 the Trustees and Officers of the D&EPG identified no doubts that the Group would be able to continue as a viable business, as it has since 1987. The diversification of income sources, the targeted fund-raising campaigns and the expanding membership have ensured that the D&EPG remains an ongoing concern, with substantial assets and minimal liabilities.

The D&EPG has no subsidiary companies or charities nor does it hold funds on behalf of any such separate organisation.

Structure, governance and management

The Charity is governed by a full Memorandum & Articles of Association and as a Private Company Limited by Guarantee without share capital, it has no shareholders or persons with significant control.

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:

A W Royal

P J Tucker

J G Weston

(Resigned 24 June 2022)

T D Courtney-Clark

(Appointed 22 July 2022)

N McCannon

M N Howard

I W Robins

(Appointed 3 September 2022)

The D&EPG is managed on a day-to-day basis in accordance with the Company's original Memorandum & Articles of Association, by a Board of Directors comprising the Company's officers and trustees and other members drawn from the active volunteer membership. The Board, which holds regular minuted meetings, is acutely aware of the nature of the D&EPG's Charitable Purposes to not only maintain our heritage assets in a safe and operational condition (including the undertaking of minor and major overhauls as required); and to operate our depot in a safe, inclusive, welcoming and educational manner regardless of the race, ethnicity, language, sexual orientation or disability of the visitor / member. D&EPG actively encourages the recruitment and training of younger people wherever practical and appropriate to do so.

None of the Trustees has any beneficial interest in the company. All of the Trustees are members of the company and guarantee to contribute £5 in the event of a winding up.

The company's current policy concerning the payment of trade creditors is to follow the CBI's Prompt Payers Code (copies are available from the CBI, Centre Point, 103 New Oxford Street, London WC1A 1DU).

The company's current policy concerning the payment of trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the company's contractual and other legal obligations.

THE DIESEL AND ELECTRIC PRESERVATION GROUP LTD

STATEMENT OF TRUSTEES RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2021

The Trustees, who are also the directors of The Diesel and Electric Preservation Group Ltd 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.



M N Howard

Dated: 24th September 2022

THE DIESEL AND ELECTRIC PRESERVATION GROUP LTD

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF THE DIESEL AND ELECTRIC PRESERVATION GROUP LTD

I report to the Trustees on my examination of the financial statements of The Diesel and Electric Preservation Group Ltd (the Charity) for the year ended 31 December 2021.

Responsibilities and basis of report

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

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

Independent examiner's statement

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.



Matthew Webb FCA
Azets Audit Services
Woodlands Court
Truro Business Park
Threemilestone
Truro
United Kingdom
TR4 9NH

Dated: 26 September 2022

THE DIESEL AND ELECTRIC PRESERVATION GROUP LTD

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Unrestricted funds 2021 £	Restricted funds 2021 £	Total Unrestricted funds 2021 £	2020 £
Income from:					
Donations and legacies	3	28,898	15,342	44,240	33,182
Charitable activities	4	19,591	-	19,591	1,057
Other trading activities		11,053	-	11,053	925
Investments		-	-	-	15
Total income		59,542	15,342	74,884	35,179
Expenditure on:					
Charitable activities	5	44,696	6,689	51,385	38,624
Net incoming/(outgoing) resources		14,846	8,653	23,499	(3,445)
Other recognised gains and losses					
Revaluation of tangible fixed assets		-	-	-	54,950
Net movement in funds		14,846	8,653	23,499	51,505
Fund balances at 1 January 2021		303,946	-	303,946	252,441
Fund balances at 31 December 2021		318,792	8,653	327,445	303,946

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

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

THE DIESEL AND ELECTRIC PRESERVATION GROUP LTD

BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	10		-		473
Heritage assets	11		232,900		232,900
Investments	12		1		1
			<u>232,901</u>		<u>233,374</u>
Current assets					
Stocks	13	7,270		7,363	
Debtors	14	42,947		17,362	
Cash at bank and in hand		68,902		63,768	
		<u>119,119</u>		<u>88,493</u>	
Creditors: amounts falling due within one year	15	(13,825)		(4,171)	
Net current assets			<u>105,294</u>		<u>84,322</u>
Total assets less current liabilities			<u>338,195</u>		<u>317,696</u>
Creditors: amounts falling due after more than one year	16		(10,750)		(13,750)
Net assets			<u><u>327,445</u></u>		<u><u>303,946</u></u>
Income funds					
Restricted funds			8,653		-
<u>Unrestricted funds</u>					
General unrestricted funds		131,363		116,517	
Revaluation reserve		<u>187,429</u>		<u>187,429</u>	
			<u>318,792</u>		<u>303,946</u>
			<u><u>327,445</u></u>		<u><u>303,946</u></u>

THE DIESEL AND ELECTRIC PRESERVATION GROUP LTD

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2021

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

The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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.

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

The financial statements were approved by the Trustees on 24th September 2022



M N Howard
Trustee

Company registration number 02193894

THE DIESEL AND ELECTRIC PRESERVATION GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Charity information

The Diesel and Electric Preservation Group Ltd is a private company limited by guarantee incorporated in England and Wales. The registered office is The Old Goods Shed, Williton Station, Williton, SOMERSET, TA4 4RQ.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Charity's [governing document], the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The Charity is a Public Benefit Entity as defined by FRS 102.

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

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

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of heritage assets. The principal accounting policies adopted are set out below.

1.2 Going concern

The accounts have been prepared on the assumption that the charity is able to continue as a going concern, which the trustees consider appropriate having regard to the current level of unrestricted reserves. The trustees have considered the impact of the ongoing COVID-19 pandemic on the charity's current and future financial position. The charity holds unrestricted, general reserves of £318,792, restricted reserves of £8,653 and a cash balance of £68,902. It has accessed government support as detailed in the trustees' report, and had ceased any non-essential expenditure throughout the lockdown period. For this reason, the trustees consider that the charity has sufficient reserves to continue as a going concern for a period of at least 12 months from the date on which these financial statements are approved.

1.3 Charitable funds

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

The revaluation reserve represents the net (unrealised) gain arising on the revaluation of the heritage assets.

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.

THE DIESEL AND ELECTRIC PRESERVATION GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.4 Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item of income have been met, it is probable that the income will be received and the amount can be measured reliably.

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.

Membership subscriptions are credited to the Statement of Financial Activities in the year to which they relate. Life membership subscriptions are credited to the Statement of Financial Activities in the year they are received, as no refunds are given for unused portions of membership.

Income received in advance of provision of a service is deferred until criteria for income recognition are met.

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item, is probable and the economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised.

On receipt, donated professional services and donated facilities are recognised on the basis of value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

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.

1.5 Expenditure

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

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources.

Irrecoverable VAT is charged at cost against the activity for which the expenditure was incurred.

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 equipment	10 years (straight line)
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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 the statement of financial activities.

THE DIESEL AND ELECTRIC PRESERVATION GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

Items of equipment are capitalised where the purchase price exceeds £1,000.

1.7 Heritage assets

The charity owns various locomotives and freight vehicles which are held and maintained for their historical and cultural value. Such assets are classified as heritage assets within the financial statements. A full description of the heritage assets is set out in Note 11.

Heritage assets are valued at their most recent valuation, which is currently 2020. Additions between valuations are stated at cost. Heritage assets are not depreciated as the trustees consider that they are artefacts of intrinsic value. Heritage assets are periodically reviewed for impairment, with any necessary impairment losses being taken to the Statement of Financial Activities.

1.8 Fixed asset investments

The charitable company holds shares in an unquoted company, West Somerset Railway plc. The shares confer voting rights only and are held primarily to further the Charity's charitable objectives, rather than for financial return. As such, they are classified as programme-related investments on the balance sheet and measured at cost less impairment.

1.9 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).

1.10 Stocks

Stock represents spare parts and scrap which have been donated to the charity or acquired over a number of years to provide spare parts for the charity's locomotives and restoration work. Much of the stock is unique and as such there is no readily available market value. Donated stock is valued at an estimate of its fair value.

Stocks purchased in the Charity are measured at the lower of cost and net realised value.

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

1.11 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.

1.12 Financial instruments

The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its 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.

THE DIESEL AND ELECTRIC PRESERVATION GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

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.

1.13 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.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

2 Critical accounting estimates and judgements

In the application of the Charity's accounting policies, the members 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. The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities include the inputs and estimates used in determining the valuation of heritage assets.

THE DIESEL AND ELECTRIC PRESERVATION GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds
	2021 £	2021 £	2021 £	2020 £
Donations and gifts	15,831	15,342	31,173	9,260
Government grants received	9,000	-	9,000	20,000
Membership fees	4,067	-	4,067	3,922
	<u>28,898</u>	<u>15,342</u>	<u>44,240</u>	<u>33,182</u>

4 Charitable activities

	2021 £	2020 £
Locomotive hire	<u>19,591</u>	<u>1,057</u>

FOR THE YEAR ENDED 31 DECEMBER 2021

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THE DIESEL AND ELECTRIC PRESERVATION GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

6	Net movement in funds	2020 £	2019 £
	Net movement in funds is stated after charging/(crediting)		
	Accounts preparation fees (Azets)	1,200	-
	Independent examination fees (Azets)	1,200	-
	Independent examination fees (Godfrey Wilson Ltd)	-	1,275
	Depreciation of owned tangible fixed assets	2,406	2,406

7 Trustees

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

8 Staff and key management personnel

The charitable company does not have any employees. Trustees do not receive any remuneration as a result of their office. Total benefits paid to key management personnel are therefore £nil (2019 - £nil).

9 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

10 Tangible fixed assets

	Plant and equipment £
Cost	
At 1 January 2020	24,063
At 31 December 2020	24,063
Depreciation and impairment	
At 1 January 2020	21,184
Depreciation charged in the year	2,406
At 31 December 2020	23,590
Carrying amount	
At 31 December 2020	473
At 31 December 2019	2,879

Tangible fixed assets consist of the Heritage Diesel Visitor Centre displays, models, display equipment, viewing and maintenance access staging, and the members' messroom cabin, together with spares and equipment used in the overhaul and restoration of railway vehicles.

THE DIESEL AND ELECTRIC PRESERVATION GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

11 Heritage assets

£

At 1 January 2021 and at 31 December 2021

232,900

The valuation of the locomotives was reassessed by the trustees as at 31 December 2020 with regard to recent market sales of similar locomotives and their current condition.

Locomotives:

Class 14 0-6-0 D.H. Nos. D9518 & D9526

Class 35 "Hymek" D.H. Nos. D7017 & D7018

Class 47/8 "Brush" D.E. No. D1661 "North Star"

Class 52 "Western" D.H. No. D1010 "Western Campaigner"

Freight vehicles:

Brake van No. B952527

Ferry van No. B787158

Lowmac No. B904146

Open wagon No. GW118904

Vanwide No. B784676

The charitable company enters into agreements with the owners of diesel locomotives wherein the charitable company becomes the custodian of those locomotives for a specified period. Under the agreements the charitable company is responsible for the administration of the locomotives, their maintenance and operation whilst on West Somerset Railway. The charitable company does not recognise these locomotives as assets on its balance sheet. The agreements in force at 31 December 2021 were:

Clive Burrows: Class 33 x 2 Nos. D6566 & D6575 both for the fifteen years expiring 29th August 2029.

12 Investments

184,000 ordinary shares in West Somerset Railway plc:

£

Historic costs

14,400

Less: impairment

(14,399)

At 1 January 2021 and at 31 December 2021

1

The shares were purchased in 1995. Since 2002, West Somerset Railway plc has had a nil dividend policy, which has meant that the shares have no readily ascertainable market value. Accordingly the trustees have written the value of the shares down to £1.

THE DIESEL AND ELECTRIC PRESERVATION GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

13 Stocks

	2021 £	2020 £
Components	1,009	1,363
Spare parts	6,000	6,000
Models	261	-
	<u>7,270</u>	<u>7,363</u>

14 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	24,562	827
Other debtors	1,230	4,651
Prepayments and accrued income	17,155	11,884
	<u>42,947</u>	<u>17,362</u>

15 Creditors: amounts falling due within one year

	Notes	2021 £	2020 £
Bank loans	17	3,000	1,250
Trade creditors		3,901	-
Accruals and deferred income		6,924	2,921
		<u>13,825</u>	<u>4,171</u>

16 Creditors: amounts falling due after more than one year

	Notes	2021 £	2020 £
Bank loans	17	<u>10,750</u>	<u>13,750</u>

THE DIESEL AND ELECTRIC PRESERVATION GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

17 Loans and overdrafts

	2021 £	2020 £
Bank loans	13,750	15,000
Payable within one year	3,000	1,250
Payable after one year	10,750	13,750
Amounts included above which fall due after five years:		
Payable by instalments	-	1,750

THE DIESEL AND ELECTRIC PRESERVATION GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

18 Analysis of net assets between funds

	Unrestricted general funds 2021 £	Revaluation reserve 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted general funds 2020 £	Revaluation reserve 2020 £	Total 2020 £
Fund balances at 31 December 2021 are represented by:							
Tangible assets	-	-	-	-	473	-	473
Heritage assets	45,471	187,429	-	232,900	45,471	187,429	232,900
Investments	1	-	-	1	1	-	1
Current assets/(liabilities)	96,641	-	8,653	105,294	84,322	-	84,322
Long term liabilities	(10,750)	-	-	(10,750)	(13,750)	-	(13,750)
	<u>131,363</u>	<u>187,429</u>	<u>8,653</u>	<u>327,445</u>	<u>116,517</u>	<u>187,429</u>	<u>303,946</u>

Restricted funds relate to funds raised specifically for the restoration of the D1010 locomotive.

THE DIESEL AND ELECTRIC PRESERVATION GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

19 Contingent liabilities

The Old Goods Shed at Williton Station was built in 1862 to a Brunel broad gauge design by the Bristol & Exeter Railway. The stone-built slate-roofed building has been the home of the DEPG since 1980 and became a Grade II listed building in 1984 (listing number 1345661). The DEPG entered into a 35-year lease agreement with the West Somerset Railway for the Williton Goods Yard site in 1994 and the Old Goods Shed is included within the boundary of the Goods Yard. The building has since fallen into disrepair but the lease includes obligations for the DEPG to maintain the building, so remedial work will need to take place before the end of the lease term (29th August 2029).

The building was vacated at the end of 2020 due to concerns about the structural safety. The likely cost of the remedial work depends on the planned future use of the building. The previous use of the building as a locomotive repair bay cannot justify the likely six-figure repair cost, so work is taking place to establish a plan for a community use facility that would be funded by multiple parties. The DEPG therefore views the Old Goods Shed as a contingent liability which is likely to require a DEPG contribution to funding in the period 2023/24. The amount of the liability has not yet been determined and accordingly a provision has not been included in the financial statements.

20 Operating lease commitments

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

	2021 £	2020 £
Within one year	4,002	2,984
Between two and five years	8,008	8
In over five years	4	6
	<u>12,014</u>	<u>2,998</u>

21 Related party transactions

There were no disclosable related party transactions during the year (2020: Helmore & Hunt Inc, a company controlled by J G Weston, was paid £200 for the use of accounting software).