

Company no. 02968284
Charity no. 1041901

West Somerset Railway Association
Report and Audited Financial Statements
31 December 2016

West Somerset Railway Association

Reference and administrative details

For the year ended 31 December 2016

Company number 02968284

Charity number 1041901

Registered office and operational address
The Railway Station
Bishops Lydeard
Taunton
Somerset
TA4 3BX

Secretary
Susan Kaufman (resigned 6 Feb 2016)
Paul Whitehouse (appointed 27 Feb 2016)
(resigned 7 Nov 2016)

Trustees Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Current trustees:

Magdalene Davies	(appointed 4 Apr 2016)
William Foster	(appointed 8 Jun 2016)
John Glover	(appointed 22 Oct 2016)
Francis Houlding	(appointed 22 Oct 2016)
William Knell	(appointed 22 Oct 2016)
Nigel Power	(appointed 22 Oct 2016)
Michael Sherwood	(appointed 22 Oct 2016)
Simon Stretton	(appointed 27 Feb 2016)
Paul Whitehouse	(appointed 22 Oct 2016)

Trustees removed from office by members' resolution at a General Meeting on 27 February 2016:

Ian Aldridge
Nigel Bruce-Robertson
Peter Chidzey
Paul Johnson
Michael Nicholls
David Williams

Trustees who served during the year:

Nigel Adams	(appointed 27 Feb 2016, retired 22 Oct 2016)
Barrie Childs	(appointed 27 Feb 2016, retired 22 Oct 2016)
Francis Courtney	(retired 22 Oct 2016)
Rodney Greenway	(appointed 27 Feb 2016, retired 22 Oct 2016)
Andrew Norman	(appointed 4 Apr 2016, resigned 3 May 2016)
Michael Rowe	(resigned 22 Oct 2016)
Martyn Snell	(appointed 27 Feb 2016, retired 22 Oct 2016)
Roger Thompson	(appointed 27 Feb 2016, resigned 4 Apr 2016, appointed 8 Jun 2016, resigned 22 Oct 2016)

West Somerset Railway Association

Reference and administrative details

For the year ended 31 December 2016

Key management personnel	Jacquie Green	General Manager
	Kate Beard	Retail Manager
	Keith Sandford	Administrator
	Ray Waldron	Engineering Manager

Bankers Royal Bank of Scotland
7 Fore Street
Taunton
TA1 1HT

Solicitors Bates Wells Braithwaite
10 Queen Street Place
London
EC4R 1BE

Auditors Godfrey Wilson Limited
Chartered accountants and statutory auditors
5th Floor Mariner House
62 Prince Street
Bristol
BS1 4QD

West Somerset Railway Association

Report of the trustees

For the year ended 31 December 2016

Reference and administrative information set out on pages 1 and 2 forms part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice - Accounting and Reporting by Charities (effective from January 2015).

Structure, governance and management

The charity is a company limited by guarantee governed by Memorandum and Articles, which were revised in 2010 (with minor amendments in 2012 and 2013). The AGM in 2017 will be asked to adopt new Articles, which clarify the objects and bring them up-to-date. Trustees are elected from the membership, and one third retire each year by rotation. Members are made aware before the election of the skills sets of current and prospective trustees. The Board has the power to co-opt trustees up to the prescribed maximum (currently 10).

The charity employs a General Manager, who is also responsible for WSRA (Promotions) Limited, its trading company, which has its own Board. One director is not a trustee and only three trustees are directors.

Strategic decisions and those with significant financial effect are made by the Trustees, while day-to-day running is delegated to the General Manager, in consultation where necessary with the Chair, Vice-Chair and/or Treasurer. The charity is a member of the Heritage Railway Association. In setting staff pay the trustees are mindful of the rates paid by the West Somerset Railway plc.

This report covers a very significant period of transition for the Association. At the 2015 Annual General Meeting, the Trustees then in post were mandated to set up a full review of the operation of the Association to be chaired by an independent individual with appropriate experience and expertise. Those Trustees identified Robin Coombes to lead this task, and he agreed to do so. Working with a group of experienced individuals, Mr Coombes produced a report which was published in November 2015. This report included a wide range of recommendations, but also concluded that the existing Trustees were not capable of managing the organisation effectively, not least because they had been unwilling or unable to contribute to his review. The members continued to call for radical change in the trustee group and convened an Extraordinary General Meeting on 27 February 2016. At this meeting the original Trustees (excluding Frank Courtney and Michael Rowe) were dismissed and a new group of co-opted Trustees convened. The newly co-opted Trustees issued a substantial Consultation Paper and held a full day consultation meeting on 24 July 2016. As a result of this they received over three hundred written consultation responses (in addition to the verbal responses received on 24 July). Following their nomination the co-opted Trustees also worked hard to review and validate financial information for 2015 and for the first months of 2016.

The incoming Board has continued to re-establish good relations with the West Somerset Railway plc, the operators of the railway. There is now considerable positive co-operation and goodwill between the two organisations.

West Somerset Railway Association

Report of the trustees

For the year ended 31 December 2016

Objectives and activities

The charity's aims are:

- To enable individuals and external corporate organisations to have a supportive and interactive role with the West Somerset Railway;
- To channel the support of those individuals and external corporate organisations, so that it is beneficial to the development of the West Somerset Railway;
- To promote the historical and heritage aspects of the West Somerset Railway, including appropriate support to allow continued running of heritage trains on the line;
- To engage with young people, and to educate people of all ages, in the potential and excitement of active involvement in a heritage railway;
- To raise funds, through the members, through appeals, through grant applications and in any other appropriate way to support the development and sustainability of the West Somerset Railway as a heritage operation; and
- To work collaboratively, and in a mutually supportive and open way, with all other organisations supporting the West Somerset Railway, and in particular the West Somerset Railway plc, through the Partnership Development Group and any other appropriate forum.

These aims will enable the charity to educate people in an understanding of the heritage aspects of the West Somerset Railway. Its long term goal is to ensure the maintenance of the railway's heritage equipment and infrastructure and to work with the West Somerset Railway plc and other organisations which support the railway, to improve the arrangements for the public to see all aspects of how the railway is run. It will measure these successes by condition surveys of heritage items, and footfall in places where such viewing arrangements are improved.

The Trustees confirm that they have complied with their duty to have due regard to the guidance on public benefit published by the commission. They have ensured that all who visit the West Somerset Railway are able to view those artefacts which demonstrate the heritage aspects of the line, including not only the Gauge Museum at Bishops Lydeard but also the locomotives, rolling stock and stations, all of which are maintained in as near original condition as possible.

The Association could not function without volunteers. In 2016 we had five main areas:

- Administration: nearly 2,000 hours, and over 900 on bookkeeping;
- Steam Fayre and Vintage Vehicle Rally: at least 2,400 hours for the setting up, running and dismantling without attempting to count the organising and planning;
- Shop: over 9,400 hours;
- Maintenance of the Association's rolling stock: over 3,700 hours (11 volunteers); and
- Quantock Belle: nearly 2,700 hours (12 volunteers), plus a significant amount of preparation.

Achievements and performance

The principal objective for the year was the re-establishment of good relationships with members and with the board of the West Somerset Railway plc. Members were consulted on the direction in which they wished the Association to go, and the result of this was that they agreed a plan for the future at the AGM in October. No fundraising or any other financial objectives were set for the year under review as the replacement trustees who were in office after 27 March had to concentrate not only on this objective, but on recovering control of all the Association's assets, and understanding the financial position.

West Somerset Railway Association

Report of the trustees

For the year ended 31 December 2016

The Board made a grant of £5,000 to the Friends of Crowcombe Heathfield Station to enable the restoration of the Goods Office. The charity's heritage dining train (Quantock Belle) was operated successfully during the latter part of the year and agreement was reached with the plc for its future operation by them. This has removed a significant trading risk from the charity. The Steam Fayre and Vintage Vehicle Rally was once again a great success, thanks to magnificent efforts by many volunteers. West Somerset Restoration, the engineering arm of the charity's trading company, was very successful in finding new work after several years with effectively only one customer.

Plans for future periods

The charity is working up new ways of fundraising in order to restore its two steam locomotives to running order. It is also reviewing how it can increase its membership and operate more cost-effectively. It is also considering carefully the lessons learned from how the previous trustees operated and is reviewing its Articles and governance to make the Association fit for the 21st Century.

Financial review

Total group expenditure exceeded income during the year by £64k (2015 restated £260k) resulting in a reduction in reserves from £1.885m to £1.821m.

Total income during the year increased by £48k, and expenditure fell by £148k. This year on year improvement in the financial performance is mainly attributable to the large write down of internal labour and carriage repair costs during 2015 which have not been repeated during 2016.

Reserves policy

The Association has sufficient reserves to sustain its current expenditure for a reasonable period of time and the Trustees believe that it continues to be a going concern. The Board's policy is to aspire to having three months operating costs.

Risk management

The principal risk facing the charity is declining membership. This was exacerbated by the troubles over the past few years, but remains significant in view of the average age of members. Other risks include the lack of security of tenure for premises occupied by the trading company and these are being mitigated through continuing discussions with the plc.

Statement of responsibilities of the trustees

The trustees are required to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity and the incoming resources and application of resources, including the net income or expenditure, of the charity for the year. In preparing those 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 accounting standards and statements of recommended practice 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.

West Somerset Railway Association

Report of the trustees

For the year ended 31 December 2016

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with the Companies Act 2006. The trustees 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 confirm that to the best of their knowledge there is no information relevant to the audit of which the auditors are unaware. The trustees also confirm that they have taken all necessary steps to ensure that they themselves are aware of all relevant audit information and that this information has been communicated to the auditors.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 December 2016 was 4,306 (2015: 5,549). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Auditors

Godfrey Wilson Limited were appointed as auditors to the charitable company during the year and have expressed their willingness to continue in that capacity.

Approved by the trustees on 26 June 2017 and signed on their behalf by



Paul Whitehouse - Chairman

Independent auditors' report

To the members of

West Somerset Railway Association

We have audited the financial statements of West Somerset Railway Association for the year ended 31 December 2016 which comprise the consolidated statement of financial activities, consolidated and parents balance sheets, consolidated statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's members, 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 charity's members 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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charitable company's circumstances, and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

Basis for qualified opinion on financial statements

The financial statements include income relating to the Vintage Rally of £87,063. Due to a loss of records, WSRA (group) were unable to provide any evidence to substantiate this income. We were therefore unable to obtain sufficient appropriate audit evidence regarding the occurrence and completeness of this income.

Qualified opinion on financial statements

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 December 2016 and of the total incoming resources of the parent charitable company and its subsidiary, and the application of resources, including the income and expenditure of the group, 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.

Independent auditors' report

To the members of

West Somerset Railway Association

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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 or returns adequate for our audit have not been received from branches not visited by us;
- the financial statements are not in agreement with the accounting records and returns;
- 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.

Alison Godfrey

Date: 27 June 2017

Alison Godfrey FCA
(Senior Statutory Auditor)

For and on behalf of:

GODFREY WILSON LIMITED

Chartered accountants and statutory auditors
5th Floor Mariner House
62 Prince Street
Bristol
BS1 4QD

West Somerset Railway Association

Consolidated statement of financial activities *(incorporating an income and expenditure account)*

For the year ended 31 December 2016

	Note	Restricted £	Unrestricted £	2016 Total £	Restated 2015 Total £
Income from:					
Donations and legacies	3	8,601	71,090	79,691	110,679
Other trading activities	4	-	764,218	764,218	684,733
Investments		-	508	508	460
Total income		<u>8,601</u>	<u>835,816</u>	<u>844,417</u>	<u>795,872</u>
Expenditure on:					
Raising funds		-	642,984	642,984	547,012
Charitable activities		<u>14,025</u>	<u>251,179</u>	<u>265,204</u>	<u>508,845</u>
Total expenditure	6	<u>14,025</u>	<u>894,163</u>	<u>908,188</u>	<u>1,055,857</u>
Net income / (expenditure)		(5,424)	(58,347)	(63,771)	(259,985)
Transfers between funds		<u>18</u>	<u>(18)</u>	<u>-</u>	<u>-</u>
Net movement in funds	9	(5,406)	(58,365)	(63,771)	(259,985)
Reconciliation of funds:					
Total funds brought forward (restated)		<u>20,291</u>	<u>1,864,812</u>	<u>1,885,103</u>	<u>2,145,088</u>
Total funds carried forward		<u><u>14,885</u></u>	<u><u>1,806,447</u></u>	<u><u>1,821,332</u></u>	<u><u>1,885,103</u></u>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 22 to the accounts.

The 2015 comparatives have been reclassified to better comply with the Charities SORP (FRS 102). The comparatives have also been restated to account for a prior period adjustment as set out in note 24 to the accounts.

West Somerset Railway Association

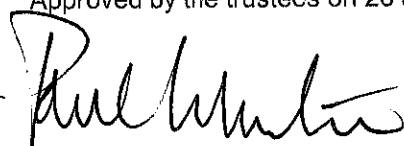
Consolidated balance sheets


As at 31 December 2016

	Note	The group 2016 £	Restated The group 2015 £	The charity 2016 £	Restated The charity 2015 £
Fixed assets					
Tangible fixed assets	12	674,136	705,819	674,136	705,819
Heritage assets	13	770,827	785,606	770,827	785,606
Investments	14	500	500	600	600
		<u>1,445,463</u>	<u>1,491,925</u>	<u>1,445,563</u>	<u>1,492,025</u>
Current assets					
Stocks	17	96,260	101,952	100	100
Debtors	18	100,235	118,950	353,580	317,888
Cash at bank and in hand		<u>271,891</u>	<u>251,068</u>	<u>60,831</u>	<u>116,121</u>
		468,386	471,970	414,511	434,109
Liabilities					
Creditors: amounts falling due within 1 year	19	<u>92,517</u>	<u>78,792</u>	<u>37,346</u>	<u>41,031</u>
		<u>375,869</u>	<u>393,178</u>	<u>377,165</u>	<u>393,078</u>
Net current assets					
		<u>1,821,332</u>	<u>1,885,103</u>	<u>1,822,728</u>	<u>1,885,103</u>
Net assets					
		<u>1,821,332</u>	<u>1,885,103</u>	<u>1,822,728</u>	<u>1,885,103</u>
Funds					
Restricted funds	22	14,885	20,291	14,885	20,291
Unrestricted funds					
General funds		<u>1,806,447</u>	<u>1,864,812</u>	<u>1,807,843</u>	<u>1,864,812</u>
Total funds		<u>1,821,332</u>	<u>1,885,103</u>	<u>1,822,728</u>	<u>1,885,103</u>

These accounts have been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

Approved by the trustees on 26 June 2017 and signed on their behalf by


Paul Whitehouse - Chairman


Will Foster FCCA - Treasurer

West Somerset Railway Association
Consolidated statement of cash flows
For the year ended 31 December 2016

	2016	Restated 2015
	£	£
Cash used in operating activities:		
Net movement in funds	(63,771)	(259,985)
<i>Adjustments for:</i>		
Depreciation charges	74,394	67,498
Impairment charges	-	119,516
Dividends, interest and rents from investments	(508)	(460)
Decrease / (increase) in stock	5,692	(8,673)
Decrease / (increase) in debtors	18,715	(19,796)
Increase / (decrease) in creditors	13,725	6,866
Net cash provided by / (used in) operating activities	48,247	(95,034)
Cash flows from investing activities:		
Dividends, interest and rents from investments	508	460
Proceeds from the sale of investments	-	14,060
Purchase of tangible fixed assets	(27,932)	(140,683)
Net cash provided by / (used in) investing activities	(27,424)	(126,163)
Increase / (decrease) in cash and cash equivalents in the year	20,823	(221,197)
Cash and cash equivalents at the beginning of the year	251,068	472,265
Cash and cash equivalents at the end of the year	271,891	251,068

West Somerset Railway Association

Notes to the financial statements

For the year ended 31 December 2016

1. Accounting policies

a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities in 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) and the Companies Act 2006.

West Somerset Railway Association 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 note(s).

b) Group accounts

These financial statements consolidate the results of the charitable company and its wholly-owned (controlled) subsidiary on a line by line basis. Transactions and balances between the charitable company and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two companies are disclosed in the notes of the charitable company's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charitable company itself is not presented because the charitable company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

c) Going concern basis of accounting

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. There are no material uncertainties about the charity's ability to continue as a going concern.

d) Income

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

Income from donations and grants is recognised when the charity has entitlement to the funds, any performance conditions attached to the gift have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred. In the case of donations, this is usually on receipt.

Income from membership subscriptions is recognised on receipt. Subscriptions that relate to future periods, such as life memberships and memberships spanning the year end, are not deferred on the grounds that the charity has entitlement to the funds because refunds are not given for unused portions of membership.

West Somerset Railway Association

Notes to the financial statements

For the year ended 31 December 2016

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have been met, then the legacy is treated as a contingent asset and disclosed if material.

Income from the sale of goods or services is recognised when the goods or services are delivered. Income received in advance of provision of a specified service is deferred until criteria for income recognition are met.

Bank interest 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.

e) Funds accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particularly areas of the charity's work or for specific projects being undertaken by the charity.

f) Expenditure and irrecoverable VAT

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

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

g) Allocation of support and governance costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Governance costs are the costs of managing and administering the charity as a legal entity. Support and governance costs relating to WSRA (Promotions) Ltd are allocated to Raising Funds. Support and governance costs relating to WSRA are allocated to Charitable Activities.

h) Tangible fixed assets

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

Land	Not depreciated
Property	4% straight line
Plant, fixtures and equipment	15% straight line

West Somerset Railway Association

Notes to the financial statements

For the year ended 31 December 2016

i) Heritage assets

The charity owns various locomotives and rolling stock 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 held is set out in note 13.

Heritage assets are valued at historic cost, or valuation if donated. Heritage assets are depreciated on a straight line basis over 7 years. Locomotives and rolling stock are not depreciated whilst under restoration. The costs of restoring the locomotives and rolling stock are capitalised as heritage asset additions. Heritage assets are periodically reviewed for impairment, with any necessary impairment losses being taken to the Statement of Financial Activities.

j) Investments

All the charity's investments are in entities related to the charity's activities rather than in general investments to generate income or capital growth. These investments are stated at cost less any impairment as there is no readily available market value.

k) Stock

Stock is included at the lower of cost or net realisable value, with provision made for obsolete or slow moving stock.

l) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Accrued income is measured at fair value.

m) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

n) Creditors

Creditors and provisions are recognised where the charitable company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

o) Financial instruments

The trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently recognised at amortised cost using the effective interest method.

p) Pension costs

The charity operates a defined contribution pension scheme. Contributions are recognised in the Statement of Financial Activities in the period in which they become payable in accordance with the rules of the scheme.

West Somerset Railway Association

Notes to the financial statements

For the year ended 31 December 2016

2. Prior period comparatives

	Restricted £	Unrestricted £	Restated 2015 Total £
Income from:			
Donations and legacies	13,004	97,675	110,679
Other trading activities	-	684,733	684,733
Investments	-	460	460
Total income	13,004	782,868	795,872
Expenditure on:			
Raising funds	-	547,012	547,012
Charitable activities	139,385	369,460	508,845
Total expenditure	139,385	916,472	1,055,857
Net income / (expenditure)	(126,381)	(133,604)	(259,985)
Transfers between funds	(512,076)	512,076	-
Net movement in funds	(638,457)	378,472	(259,985)

3. Income from donations and legacies

	Restricted £	Unrestricted £	2016 Total £	Restated 2015 Total £
Membership subscriptions	-	58,835	58,835	69,930
Donations and gifts	8,601	6,962	15,563	17,300
Legacies	-	5,293	5,293	3,256
Gift aid income	-	-	-	20,193
Total income from donations and legacies	8,601	71,090	79,691	110,679

West Somerset Railway Association

Notes to the financial statements

For the year ended 31 December 2016

4. Income from other trading activities

	Restricted	Unrestricted	2016 Total	2015 Total
	£	£	£	£
<i>Trading:</i>				
Shop and café	-	322,530	322,530	322,767
West Somerset Restorations, Williton	-	188,236	188,236	92,486
Aggregate sales at Norton Fitzwarren	-	50,228	50,228	48,832
Quantock Belle and Hawksworth Saloon	-	72,506	72,506	96,460
Vintage Rally	-	87,063	87,063	85,602
Donations	-	31	31	-
<i>Fundraising:</i>				
Annual draw	-	152	152	20,686
50/50 Club	-	9,177	9,177	13,448
<i>Other:</i>				
Brunel House recharges	-	30,433	30,433	-
Bridgwater College	-	-	-	1,500
Rent of Sherrings' Yard	-	-	-	1,500
Hire of rolling stock	-	2,000	2,000	206
Sale of assets	-	1,000	1,000	-
Journal advertising income	-	862	862	-
Miscellaneous	-	-	-	1,246
Total income from other trading activities	-	764,218	764,218	684,733

5. Government grants

The charitable company did not receive any government grants during the year (2015: none).

West Somerset Railway Association

Notes to the financial statements

For the year ended 31 December 2016

6. Total expenditure	Raising funds £	Charitable activities £	2016 Total £	Restated 2015 Total £
Staff costs (note 10)	202,364	33,840	236,204	259,462
Cost of sales	353,621	-	353,621	217,398
Locomotive and coach costs	194	1,743	1,937	191,008
Property costs	10,455	65,444	75,899	78,718
Journal publication costs	10,094	-	10,094	37,556
Membership costs	19,709	-	19,709	25,389
Fundraising costs (50/50 & Annual Draw)	3,664	-	3,664	10,131
Grants payable (note 8)	-	19,769	19,769	4,471
Support and governance costs (note 7)	42,883	144,408	187,291	231,724
Total expenditure	642,984	265,204	908,188	1,055,857

7. Support and governance costs	Raising funds	Charitable activities	2016 Total	Restated 2015 Total
<i>Support costs:</i>				
Depreciation	-	74,394	74,394	67,498
Insurance	502	11,603	12,105	11,155
General office costs	8,423	13,211	21,634	36,450
Meetings and mediation	690	5,765	6,455	21,324
Travel and motor expenses	-	1,589	1,589	3,546
Advertising	3,807	900	4,707	8,325
Equipment hire, repairs and maintenance	23,423	9,385	32,808	17,843
Bank charges	3,485	1,569	5,054	6,967
<i>Governance costs:</i>				
Legal costs	-	8,400	8,400	43,199
Audit	2,540	9,275	11,815	8,460
Accountancy	-	3,552	3,552	3,150
Professional fees	13	4,765	4,778	3,807
Total support and governance costs	42,883	144,408	187,291	231,724

West Somerset Railway Association

Notes to the financial statements

For the year ended 31 December 2016

8. Grants payable

	2016	2015
	Total	Total
Grants payable to institutions:		
Friends of Bishops Lydeard station	13,183	-
Crowcombe Heathfield	5,000	-
Bishops Lydeard station	549	-
Hird Rail Services	-	3,771
Other small grants	1,037	700
Total grants payable	19,769	4,471

Grants payable are all to organisations and associations in the UK. All grants are paid to fund charitable activities. The grants shown above do not include any allocation of support costs.

9. Net movement in funds

This is stated after charging:

	2016	2015
	£	£
Depreciation	74,394	67,498
Trustees' remuneration	Nil	Nil
Trustees' reimbursed expenses	Nil	419
Auditors' remuneration:		
▪ Statutory audit	7,625	8,310
▪ Under accrual in prior year	4,190	150
▪ Other services	-	3,150

During the year no trustees received reimbursed expenses (2015: 3 trustees, £419).

West Somerset Railway Association

Notes to the financial statements

For the year ended 31 December 2016

10. Staff costs and numbers

Staff costs were as follows:

	2016	2015
	£	£
Salaries and wages	211,968	234,603
Social security costs	11,669	17,139
Pension costs	12,567	7,346
Sub-contractors	-	374
	<u>236,204</u>	<u>259,462</u>

No employee earned more than £60,000 during the year.

The key management personnel of the group are listed on page 1 of the accounts. The total employee benefits of the key management personnel were £98,656 (2015: £122,937).

	2016	2015
	No.	No.
Average number of employees (full-time equivalent)	<u>13.50</u>	<u>16.00</u>

11. Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. Available taxable profits in WSRA (Promotions) Ltd are donated to the parent charity under the gift aid scheme.

12. Tangible fixed assets - group and charity

	Land and property (restated) £	Plant, fixtures and equipment £	Total (restated) £
Cost			
At 1 January 2016	858,199	170,230	1,028,429
Additions in year	<u>-</u>	<u>1,900</u>	1,900
At 31 December 2016	<u>858,199</u>	<u>172,130</u>	1,030,329
Depreciation			
At 1 January 2016	161,733	160,877	322,610
Charge for the year	<u>28,760</u>	<u>4,823</u>	33,583
At 31 December 2016	<u>190,493</u>	<u>165,700</u>	356,193
Net book value			
At 31 December 2016	<u>667,706</u>	<u>6,430</u>	<u>674,136</u>
At 31 December 2015	<u>696,466</u>	<u>9,353</u>	705,819

West Somerset Railway Association

Notes to the financial statements

For the year ended 31 December 2016

13. Heritage assets - group and charity

	Locomotives (under restoration) £	Coaches and other vehicles £	Total £
Cost			
At 1 January 2016	612,563	474,769	1,087,332
Additions in year	<u>26,032</u>	<u>-</u>	<u>26,032</u>
At 31 December 2016	<u>638,595</u>	<u>474,769</u>	<u>1,113,364</u>
Depreciation			
At 1 January 2016	66,924	234,802	301,726
Charge for the year	<u>-</u>	<u>40,811</u>	<u>40,811</u>
At 31 December 2016	<u>66,924</u>	<u>275,613</u>	<u>342,537</u>
Net book value			
At 31 December 2016	<u><u>571,671</u></u>	<u><u>199,156</u></u>	<u><u>770,827</u></u>
At 31 December 2015	<u>545,639</u>	<u>239,967</u>	<u>785,606</u>

Heritage assets includes the following locomotives and rolling stock:

	Net book value
Locomotives (under restoration):	
2-6-2T locomotive number 4561	391,671
4-6-0 locomotive number 7821 "Ditcheat Manor"	180,000
Coaches and other vehicles:	
80970W (Hawksworth)	39,172
Generator coach 35408 (977165) "Jupiter"	67,122
Mk1 TSO coach 4419	35,415
Mk1 FO coach 3131 (in store at Williton)	21,978
3668 - staff accommodation coach at Bishops Lydeard	447
Quantock Belle (capitalised maintenance costs)	<u>35,022</u>
Total net book value at year end	<u><u>770,827</u></u>

The following heritage assets are held by WSRA but are fully depreciated: Mk1 TSO coach 4956, Quantock Belle (3108 "Meteor", 1804 "Aries" and 1909 "Orion"), W21174 "Phoenix", three Mk1 coaches (4435, 4911 and 5024), two camping coaches at Blue Anchor (9879 and 9882), and seven other vehicles (M94917, BR94710, 1458, 1964, 1587, 2823 and 8080).

West Somerset Railway Association

Notes to the financial statements

For the year ended 31 December 2016

13. Heritage assets (continued)

Summary analysis of heritage asset transactions

	2016	2015	2014	2013	2012
	£	£	£	£	£
Additions:					
Purchases	26,032	140,683	167,876	286,458	175,588
Donations	-	-	-	-	-
Total additions	<u>26,032</u>	<u>140,683</u>	<u>167,876</u>	<u>286,458</u>	<u>175,588</u>
Charges:					
Depreciation	40,811	34,808	22,531	1,960	1,964
Impairment	-	119,516	-	-	-
Other charges	-	11,477	-	-	-
Total charges	<u>40,811</u>	<u>165,801</u>	<u>22,531</u>	<u>1,960</u>	<u>1,964</u>

There have been no disposals in this period.

14. Investments

	The group	The group	The charity	The charity
	2016	2015	2016	2015
	£	£	£	£
WSRA (Promotions) Ltd: 100 x £1 ordinary shares	-	-	100	100
Locomotive 5542 Ltd: 1 x £500 ordinary share	500	500	500	500
Total investments	<u>500</u>	<u>500</u>	<u>600</u>	<u>600</u>

WSRA owns 100% of the issued share capital of WSRA (Promotions) Ltd, company number 03312904 registered in England and Wales. Further details are set out in note 15.

WSRA owns 1 £500 ordinary share in Locomotive 5542 Ltd, company number 01605988. This represents 2% of the issued ordinary share capital of the company. The shares are valued at historic cost.

WSRA also owns 2,037,370 10p ordinary shares in West Somerset Railway plc, representing 9.5% of the issued share capital. A number of years ago it was decided that these shares have no value and they were fully written down in the accounts. The historic cost of the shares was £184,030.

West Somerset Railway Association

Notes to the financial statements

For the year ended 31 December 2016

15. Subsidiary undertakings

WSRA (Promotions) Ltd

WSRA (Promotions) Ltd is the wholly owned trading subsidiary of WSRA. The trading subsidiary was incorporated on 5 February 1997. The subsidiary operates a shop and café as well as carrying out engineering and restoration works. A summary of the trading subsidiary's financial statements is set out below:

	2016 £	2015 £
Turnover	755,807	853,165
Cost of sales	<u>(379,653)</u>	<u>(424,415)</u>
Gross profit	376,154	428,750
Administrative expenses	<u>(263,681)</u>	<u>(287,641)</u>
Operating profit	112,473	141,109
Gift aid donation to parent charity	<u>(112,473)</u>	<u>(141,109)</u>
Profit on ordinary activities	<u><u>-</u></u>	<u><u>-</u></u>

The aggregate of the assets, liabilities and funds was:

	2016 £	2015 £
Assets	388,080	306,159
Liabilities	<u>(387,980)</u>	<u>(306,059)</u>
Funds	<u><u>100</u></u>	<u><u>100</u></u>

16. Parent charity

The parent charity's gross income and the results for the year are disclosed as follows:

	2016 £	Restated 2015 £
Gross income (excluding gift aid donation from trading subsidiary)	123,823	180,828
Results for the year	<u>(174,848)</u>	<u>(412,572)</u>

West Somerset Railway Association

Notes to the financial statements

For the year ended 31 December 2016

17. Stock

	The group		The charity	
	2016	Restated 2015	2016	2015
	£	£	£	£
Shop	83,490	91,409	-	-
Quantock Belle stock	1,087	1,481	-	-
Williton stock	11,583	8,962	-	-
Home Counties Group books	100	100	100	100
	<u>96,260</u>	<u>101,952</u>	<u>100</u>	<u>100</u>

18. Debtors

	The group		The charity	
	2016	Restated 2015	2016	2015
	£	£	£	£
Trade debtors	72,881	63,774	7,886	-
Prepayments and accrued income	27,294	20,049	12,825	14,677
VAT	-	2,441	-	2,227
Gift aid reclaimable	-	24,686	-	24,686
Amounts due from subsidiary	-	-	332,809	268,298
Other debtors	60	8,000	60	8,000
	<u>100,235</u>	<u>118,950</u>	<u>353,580</u>	<u>317,888</u>

19. Creditors : amounts due within 1 year

	The group		The charity	
	2016	2015	2016	2015
	£	£	£	£
Trade creditors	37,119	49,487	16,865	18,008
Accruals	20,951	18,606	11,871	15,158
Other taxation and social security	26,070	4,579	7,951	4,579
Deferred income (see note 20)	-	1,971	-	1,971
Other creditors	8,377	4,149	659	1,315
	<u>92,517</u>	<u>78,792</u>	<u>37,346</u>	<u>41,031</u>

West Somerset Railway Association

Notes to the financial statements

For the year ended 31 December 2016

20. Deferred income

	The group		The charity	
	2016	2015	2016	2015
	£	£	£	£
At 1 January 2016	1,971	2,450	1,971	2,450
Deferred during the year	-	1,971	-	1,971
Released during the year	(1,971)	(2,450)	(1,971)	(2,450)
At 31 December 2016	-	1,971	-	1,971

Deferred income relates to 50/50 Club income received in advance.

21. Analysis of group net assets between funds

	Restricted funds	Unrestricted funds	Total funds
	£	£	£
Tangible fixed assets	-	674,136	674,136
Heritage assets	14,885	770,827	785,712
Investments	-	500	500
Current assets	-	453,501	453,501
Current liabilities	-	(92,517)	(92,517)
Net assets at 31 December 2016	14,885	1,806,447	1,821,332

West Somerset Railway Association

Notes to the financial statements

For the year ended 31 December 2016

22. Movements in funds

	At 1 January 2016 (restated) £	Income £	Expenditure £	Transfers between funds £	At 31 December 2016 £
Restricted funds					
4561 repair fund	7,126	8,601	(842)	-	14,885
June's fund	13,165	-	(13,183)	18	-
Total restricted funds	<u>20,291</u>	<u>8,601</u>	<u>(14,025)</u>	<u>18</u>	<u>14,885</u>
Unrestricted funds					
General funds	<u>1,864,812</u>	<u>835,816</u>	<u>(894,163)</u>	<u>(18)</u>	<u>1,806,447</u>
Total unrestricted funds	<u>1,864,812</u>	<u>835,816</u>	<u>(894,163)</u>	<u>(18)</u>	<u>1,806,447</u>
Total funds	<u>1,885,103</u>	<u>844,417</u>	<u>(908,188)</u>	<u>-</u>	<u>1,821,332</u>

Purposes of restricted funds

4561 repair fund The 4561 repair fund was established to enable this locomotive to be returned to service following the expiration of its boiler certificate.

June's fund June's Fund was established by June Hole and other members of what is now known as the Friends of Bishops Lydeard Station. The fund was specifically for the purpose of financing projects at Bishops Lydeard station. During the year, the balance on the fund was paid out as a grant to the Friends of Bishops Lydeard station.

Transfers between funds

The transfer of £18 from general funds to June's fund represents a small overspend on the restricted fund which was covered by general funds.

23. Related party transactions

D J Williams (trustee until 27 February 2016) was reimbursed £2,800 during the year for typesetting, design and print liaison, in connection with the production of the Journal (2015: £2,800).

In the year ended 31 December 2015, P Johnson (trustee until 27 February 2016) purchased shares in Four One Six O Limited from WSRA for an amount that was below their likely market value.

West Somerset Railway Association

Notes to the financial statements

For the year ended 31 December 2016

24. Prior period adjustments

A prior period adjustment was made to reflect a change in accounting policy for tangible fixed assets. Land and property had included Norton Fitzwarren triangle construction costs that were not depreciated where the assets were maintained by the West Somerset Railway plc. This policy has now changed and all capital works are depreciated at 4% straight line.

	£
Land and property accumulated depreciation at 1 January 2016 per original accounts	101,220
Backdated depreciation adjusted for	60,513
Revised land and property depreciation at 1 January 2016	<u>161,733</u>
Total funds held at 1 January 2015 per original accounts	2,190,472
Backdated depreciation charge	(45,384)
Restated total funds held at 1 January 2015	<u>2,145,088</u>
Total funds held at 31 December 2015 per original accounts	1,945,616
Total backdated depreciation charges	(60,513)
Restated total funds held at 31 December 2015	<u>1,885,103</u>