

Company no. 02968284
Charity no. 1041901

West Somerset Railway Association
Report and Audited Financial Statements
31 December 2017

West Somerset Railway Association

Reference and administrative details

For the year ended 31 December 2017

Company number	02968284
Charity number	1041901
Registered office and operational address	The Railway Station Bishops Lydeard Taunton Somerset TA4 3BX
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: Magdalene Davies (resigned 30 Sep 2017) William Foster (resigned 30 Sep 2017) Geoffrey Garfield (appointed 23 Oct 2017) John Glover Rodney Greenway (appointed 30 Sep 2017) Francis Houlding (resigned 6 Oct 2017) William Knell (resigned 13 Sep 2017) Michael Lea (appointed 26 Feb 2018) Nigel Power Michael Sherwood Simon Stretton Paul Whitehouse
Key management personnel	Jacquie Green General Manager Kate Beard Retail Manager Ray Waldron Works Manager (Williton) - left Aug 2017 Ryan Pope Engineering Manager Keith Sandford Administrator Kat Sims Bookkeeper
Bankers	Royal Bank of Scotland Lloyds Bank 7 Fore Street 27 Fore Street Taunton Redruth TA1 1HT TR15 2BJ
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 2017

Reference and administrative information set out on page 1 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 substantially revised to bring them up-to-date at the AGM on 30 September 2017. 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.

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 the locomotives, rolling stock and stations, all of which are maintained in as near original condition as possible.

West Somerset Railway Association

Report of the trustees

For the year ended 31 December 2017

Achievements and performance

New Articles were adopted at the 2017 AGM, which will make its governance fit for the 21st Century. In particular the objects were amended to make clear that supporting the West Somerset Railway was its principal purpose.

Locomotive Restoration Fund

This was launched in May 2017 by the Chairmen of both the Association and the WSR plc. This first joint initiative for some considerable time represents the new spirit of co-operation on the railway. The fund was established to secure the long term security of locomotives operating on the WSR, through the provision of three locomotives of complementary sizes – Large Prairie 4110, owned by the WSR plc, and two locomotives owned by the WSRA, Small Prairie 4561 and Manor Class 7821, "Ditchheat Manor". Nearly £28,000 was raised for this fund, which now stands at £39,281. The trustees have agreed not to start work until there is sufficient money, either received or pledged, to ensure that the work can be completed. This will prevent the additional expenditure likely if the work has to be stopped and restarted.

Membership continued to reduce, albeit at a slower rate, but overall income from this source was over £55,000. Negotiations continue with HMRC to establish how the Association can claim Gift Aid on subscriptions and offer worthwhile travel benefits to members.

The 50-50 Club has been effectively re-established and contributed over £5,600 to general funds and the members' raffle for the LRF raised nearly £3,000.

The board made a grant of £300 to Blue Anchor Station for replacement platform light panels. Applications are welcomed from all parts of the railway for assistance in heritage projects and 2018 has shown a growing interest in this.

The charity's heritage dining train (Quantock Belle) had its first successful operating season under the management of the Plc, and the Association's share of the profit was £13,200.

The Steam Fayre and Vintage Vehicle Rally was once again a great success, and raised net income of over £43,000 thanks to magnificent efforts by many volunteers.

West Somerset Restoration, the engineering arm of the charity's trading company, continued to provide a significant resource for the railway.

The Association could not function without volunteers. In 2017 we had four main areas:

- Administration: nearly 2,000 hours;
- 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; and
- Work for WS Restoration, the engineering arm of the charity's trading company, including maintenance of the Association's rolling stock: over 3,700 hours.

Efforts continued to recover the Association's shares in Four One Six O Limited, and counsel's opinion has been received that there is a strong chance of success.

West Somerset Railway Association

Report of the trustees

For the year ended 31 December 2017

Plans for future periods

The establishment of the Hinkley Point Community Fund during 2017 presented an opportunity to the railway which both the Association and the Plc have seized enthusiastically. Andy Norman was appointed to run this project and an application for funds to achieve much better integration of the railway with nearby communities through demonstrating how people can become involved and thus improve community integration.

Discussions continue with the Plc to establish an integrated approach to fundraising, so that the Association's charitable status can be used to best effect.

Financial review

Total group income before depreciation exceeded expenditure during the year by £45k (2016 restated £11k). After depreciation there was a reduction in reserves from £1.821m to £1.793m.

Total income during the year decreased by £158k, but there was a corresponding reduction in expenditure of £193k.

Reserves policy

The Association has sufficient reserves to sustain its current expenditure for at least three months. The trustees believe that this is a sufficient amount.

Risk management

The principal risk facing the charity is declining membership. This has continued, albeit at a slower rate. 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.

Safeguarding

The trustees considered advice from the Charity Commission on safeguarding. They do not currently have any children or vulnerable adults as volunteers, but are mindful of their responsibilities to all their staff and volunteers. They are satisfied that the policies they have in place to ensure fair and proper treatment are adequate for that purpose.

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 2017

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 2017 was 3,955 (2016: 4,306). 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 reappointed as auditors to the charitable company during the year and have expressed their willingness to continue in that capacity.

Approved by the trustees on 4 June 2018 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 2017 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.

Opinion on financial statements

In our opinion 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 2017 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: 7 JUNE 2018 .

**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 2017

	Note	Restricted £	Unrestricted £	2017 Total £	2016 Total £
Income from:					
Donations and legacies	3	20,705	76,166	96,871	79,691
Other trading activities	4	7,047	582,719	589,766	764,218
Investments		-	86	86	508
Total income		<u>27,752</u>	<u>658,971</u>	<u>686,723</u>	<u>844,417</u>
Expenditure on:					
Raising funds		1,992	493,445	495,437	642,984
Charitable activities		1,364	218,324	219,688	265,204
Total expenditure	6	<u>3,356</u>	<u>711,769</u>	<u>715,125</u>	<u>908,188</u>
Net income / (expenditure)		24,396	(52,798)	(28,402)	(63,771)
Transfers between funds		-	-	-	-
Net movement in funds	9	24,396	(52,798)	(28,402)	(63,771)
Reconciliation of funds:					
Total funds brought forward		<u>14,885</u>	<u>1,806,447</u>	<u>1,821,332</u>	<u>1,885,103</u>
Total funds carried forward		<u><u>39,281</u></u>	<u><u>1,753,649</u></u>	<u><u>1,792,930</u></u>	<u><u>1,821,332</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 21 to the accounts.

West Somerset Railway Association

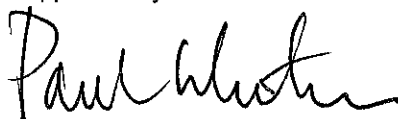
Consolidated balance sheets

As at 31 December 2017

	Note	The group 2017 £	The group 2016 £	The charity 2017 £	The charity 2016 £
Fixed assets					
Tangible fixed assets	12	654,517	674,136	652,137	674,136
Heritage assets	13	715,502	770,827	715,502	770,827
Investments	14	500	500	600	600
		<u>1,370,519</u>	<u>1,445,463</u>	<u>1,368,239</u>	<u>1,445,563</u>
Current assets					
Stocks	17	90,819	96,260	-	100
Debtors	18	55,374	100,235	296,639	353,580
Cash at bank and in hand		318,163	271,891	144,132	60,831
		464,356	468,386	440,771	414,511
Liabilities					
Creditors: amounts falling due within 1 year	19	41,945	92,517	26,461	37,346
Net current assets		<u>422,411</u>	<u>375,869</u>	<u>414,310</u>	<u>377,165</u>
Net assets	20	<u>1,792,930</u>	<u>1,821,332</u>	<u>1,782,549</u>	<u>1,822,728</u>
Funds					
Restricted funds	21	39,281	14,885	39,281	14,885
Unrestricted funds					
General funds		<u>1,753,649</u>	<u>1,806,447</u>	<u>1,743,268</u>	<u>1,807,843</u>
Total funds		<u>1,792,930</u>	<u>1,821,332</u>	<u>1,782,549</u>	<u>1,822,728</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 4 June 2018 and signed on their behalf by



Paul Whitehouse - Chairman



Michael Lea - Treasurer

West Somerset Railway Association

Consolidated statement of cash flows

For the year ended 31 December 2017

	2017 £	2016 £
Cash used in operating activities:		
Net movement in funds	(28,402)	(63,771)
<i>Adjustments for:</i>		
Depreciation charges	73,300	74,394
Dividends, interest and rents from investments	(86)	(508)
Loss / (profit) on the sale of fixed assets	2,872	-
Decrease / (increase) in stock	5,441	5,692
Decrease / (increase) in debtors	44,861	18,715
Increase / (decrease) in creditors	<u>(50,572)</u>	<u>13,725</u>
Net cash provided by / (used in) operating activities	<u>47,414</u>	<u>48,247</u>
Cash flows from investing activities:		
Dividends, interest and rents from investments	86	508
Proceeds from the sale of property, plant and equipment	19,106	-
Purchase of tangible fixed assets	<u>(20,334)</u>	<u>(27,932)</u>
Net cash provided by / (used in) investing activities	<u>(1,142)</u>	<u>(27,424)</u>
Increase / (decrease) in cash and cash equivalents in the year	46,272	20,823
Cash and cash equivalents at the beginning of the year	<u>271,891</u>	<u>251,068</u>
Cash and cash equivalents at the end of the year	<u>318,163</u>	<u>271,891</u>

West Somerset Railway Association

Notes to the financial statements

For the year ended 31 December 2017

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 2017

1. Accounting policies (continued)

d) Income

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 not 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.

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 fund 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 particular 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 2017

1. Accounting policies (continued)

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 charity 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 2017

2. Prior period comparatives

	Restricted £	Unrestricted £	2016 Total £
Income from:			
Donations and legacies	8,601	71,090	79,691
Other trading activities	-	764,218	764,218
Investments	-	508	508
Total income	8,601	835,816	844,417
Expenditure on:			
Raising funds	-	642,984	642,984
Charitable activities	14,025	251,179	265,204
Total expenditure	14,025	894,163	908,188
Net expenditure	(5,424)	(58,347)	(63,771)
Transfers between funds	18	(18)	-
Net movement in funds	(5,406)	(58,365)	(63,771)

3. Income from donations and legacies

	Restricted £	Unrestricted £	2017 Total £	2016 Total £
Membership subscriptions	-	55,837	55,837	58,835
Donations and gifts	20,705	9,205	29,910	15,563
Legacies	-	11,124	11,124	5,293
Total donations and legacies	20,705	76,166	96,871	79,691

West Somerset Railway Association

Notes to the financial statements

For the year ended 31 December 2017

4. Income from other trading activities

	Restricted	Unrestricted	2017 Total	2016 Total
	£	£	£	£
Shop and café	-	314,371	314,371	322,530
West Somerset Restorations, Williton	-	120,736	120,736	188,236
Aggregate sales at Norton Fitzwarren	-	9,020	9,020	50,228
Quantock Belle and Hawksworth Saloon	-	11,004	11,004	72,506
Vintage Rally	-	96,838	96,838	87,063
50/50 club and raffles	7,047	6,933	13,980	9,329
Other income	-	23,817	23,817	34,326
Total other trading activities	<u>7,047</u>	<u>582,719</u>	<u>589,766</u>	<u>764,218</u>

5. Government grants

The charitable company did not receive any government grants during the year (2016: none).

West Somerset Railway Association

Notes to the financial statements

For the year ended 31 December 2017

6. Total expenditure

	Raising funds £	Charitable activities £	2017 Total £	2016 Total £
Staff costs (note 10)	171,455	36,206	207,661	236,204
Cost of sales:				
Shop and café	195,147	-	195,147	207,967
West Somerset Restorations, Williton	19,738	-	19,738	41,645
Fundraising costs:				
Vintage Rally	49,937	-	49,937	33,358
50/50 club, annual draw and raffle	7,250	-	7,250	3,664
Aggregate sales at Norton Fitzwarren	4,962	-	4,962	26,916
Quantock Belle and Hawksworth Saloon	1,215	-	1,215	43,735
Other	152	-	152	-
Locomotive and coach costs	-	1,402	1,402	1,937
Property costs	12,546	31,823	44,369	75,899
Membership and journal costs	-	28,163	28,163	29,803
Grants payable (note 8)	-	300	300	19,769
Support and governance costs (note 7)	33,035	121,794	154,829	187,291
Total expenditure	495,437	219,688	715,125	908,188

7. Support and governance costs

	Raising funds	Charitable activities	2017 Total	2016 Total
<i>Support costs:</i>				
Depreciation	420	72,880	73,300	74,394
Insurance	6,450	6,062	12,512	12,105
General office costs	9,306	10,590	19,896	21,634
Meetings and mediation	1,775	1,333	3,108	6,455
Travel and motor expenses	-	2,163	2,163	1,589
Advertising	-	30	30	4,707
Equipment hire, repairs and maintenance	10,672	2,287	12,959	32,808
Bank charges	2,380	2,336	4,716	5,054
<i>Governance costs:</i>				
Legal costs	-	16,575	16,575	8,400
Audit	1,350	7,300	8,650	11,815
Accountancy	682	238	920	3,552
Professional fees	-	-	-	4,778
Total support and governance costs	33,035	121,794	154,829	187,291

West Somerset Railway Association

Notes to the financial statements

For the year ended 31 December 2017

8. Grants payable

	2017	2016
	£	£
<i>Grants payable to institutions:</i>		
Friends of Bishops Lydeard station	-	13,183
Crowcombe Heathfield	-	5,000
Bishops Lydeard station	-	549
Blue Anchor station	300	-
Other small grants	-	1,037
Total grants payable	300	19,769

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:

	2017	2016
	£	£
Depreciation	73,300	74,394
Trustees' remuneration	Nil	Nil
Trustees' reimbursed expenses	795	Nil
Auditors' remuneration:		
▪ Statutory audit	8,650	7,625
▪ Under accrual in prior year	-	4,190

During the year 2 trustees (2016: none) received reimbursed expenses of £795 for travel costs (2016: £0).

10. Staff costs and numbers

Staff costs were as follows:

	2017	2016
	£	£
Salaries and wages	193,503	211,968
Social security costs	8,608	11,669
Pension costs	5,550	12,567
	207,661	236,204

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 £103,266 (2016: £98,656).

	2017	2016
	No.	No.
Average number of employees (full-time equivalent)	12.33	13.50

West Somerset Railway Association

Notes to the financial statements

For the year ended 31 December 2017

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

	Land and property £	Plant, fixtures and equipment £	Total £
Cost			
At 1 January 2017	858,199	172,130	1,030,329
Additions in year	-	13,361	13,361
Disposals	-	(18,513)	(18,513)
	<u>858,199</u>	<u>166,978</u>	<u>1,025,177</u>
At 31 December 2017			
Depreciation			
At 1 January 2017	190,493	165,700	356,193
Charge for the year	28,761	4,219	32,980
On disposal	-	(18,513)	(18,513)
	<u>219,254</u>	<u>151,406</u>	<u>370,660</u>
At 31 December 2017			
Net book value			
At 31 December 2017	<u><u>638,945</u></u>	<u><u>15,572</u></u>	<u><u>654,517</u></u>
At 31 December 2016	<u>667,706</u>	<u>6,430</u>	<u>674,136</u>

West Somerset Railway Association

Notes to the financial statements

For the year ended 31 December 2017

12. Tangible fixed assets - charity only

	Land and property £	Plant, fixtures and equipment £	Total £
Cost			
At 1 January 2017	858,199	172,130	1,030,329
Additions in year	-	10,561	10,561
Disposals	-	(18,513)	(18,513)
At 31 December 2017	<u>858,199</u>	<u>164,178</u>	<u>1,022,377</u>
Depreciation			
At 1 January 2017	190,493	165,700	356,193
Charge for the year	28,761	3,799	32,560
On disposal	-	(18,513)	(18,513)
At 31 December 2017	<u>219,254</u>	<u>150,986</u>	<u>370,240</u>
Net book value			
At 31 December 2017	<u>638,945</u>	<u>13,192</u>	<u>652,137</u>
At 31 December 2016	<u>667,706</u>	<u>6,430</u>	<u>674,136</u>

13. Heritage assets - group and charity

	Locomotives (under restoration) £	Coaches and other vehicles £	Total £
Cost			
At 1 January 2017	638,595	474,769	1,113,364
Additions in year	-	6,973	6,973
Disposals	-	(21,978)	(21,978)
At 31 December 2017	<u>638,595</u>	<u>459,764</u>	<u>1,098,359</u>
Depreciation			
At 1 January 2017	66,924	275,613	342,537
Charge for the year	-	40,320	40,320
At 31 December 2017	<u>66,924</u>	<u>315,933</u>	<u>382,857</u>
Net book value			
At 31 December 2017	<u>571,671</u>	<u>143,831</u>	<u>715,502</u>
At 31 December 2016	<u>571,671</u>	<u>199,156</u>	<u>770,827</u>

West Somerset Railway Association

Notes to the financial statements

For the year ended 31 December 2017

13. Heritage assets - group and charity (continued)

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 (Hawthornthwaite)	35,557
Generator coach 35408 (977165) "Jupiter"	53,263
Mk1 TSO coach 4419	28,330
Quantock Belle (capitalised maintenance costs)	<u>26,681</u>
Total net book value at year end	<u><u>715,502</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), a staff accommodation coach at Bishops Lydeard (3668), and five other vehicles (M94917, BR94710, 1587, 2823 and 8080).

Summary analysis of heritage asset transactions

	2017	2016	2015	2014	2013
	£	£	£	£	£
Additions:					
Purchases	6,973	26,032	140,683	167,876	286,458
Donations	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total additions	<u><u>6,973</u></u>	<u><u>26,032</u></u>	<u><u>140,683</u></u>	<u><u>167,876</u></u>	<u><u>286,458</u></u>
Charges:					
Depreciation	40,320	40,811	34,808	22,531	1,960
Impairment	-	-	119,516	-	-
Other charges	<u>-</u>	<u>-</u>	<u>11,477</u>	<u>-</u>	<u>-</u>
Total charges	<u><u>40,320</u></u>	<u><u>40,811</u></u>	<u><u>165,801</u></u>	<u><u>22,531</u></u>	<u><u>1,960</u></u>
Disposals:					
Net book value	<u>21,978</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Proceeds from disposals:					
Sale proceeds	<u>16,156</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

During the period there were 3 disposals: Mk1 FO coach 3131; PMV1964 and 1458.

West Somerset Railway Association

Notes to the financial statements

For the year ended 31 December 2017

14. Investments

	The group 2017 £	The group 2016 £	The charity 2017 £	The charity 2016 £
WSRA (Promotions) Ltd: 100 x £1 ordinary shares	-	-	100	100
Locomotive 5542 Ltd: 1 x £500 ordinary share	<u>500</u>	<u>500</u>	<u>500</u>	<u>500</u>
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.

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. In 2016, the subsidiary also ran the Vintage Rally fundraising event, the Quantock Belle and Hawksworth Saloon services and sold aggregate / spent ballast at Norton Fitzwarren. These activities are now run by the Association. A summary of the trading subsidiary's financial statements is set out below:

	2017 £	2016 £
Turnover	454,867	755,807
Cost of sales	<u>(223,224)</u>	<u>(379,653)</u>
Gross profit	231,643	376,154
Administrative expenses	<u>(225,036)</u>	<u>(263,681)</u>
Profit for the financial year	6,607	112,473
Changes in equity:		
Total comprehensive income for the year	6,607	112,473
Gift aid donation to parent charity	<u>(4,227)</u>	<u>(112,473)</u>
Retained profit carried forward	<u>2,380</u>	<u>-</u>

West Somerset Railway Association

Notes to the financial statements

For the year ended 31 December 2017

15. Subsidiary undertakings (continued)

The aggregate of the assets, liabilities and funds was:

	2017	2016
	£	£
Assets	298,120	388,080
Liabilities	<u>(295,640)</u>	<u>(387,980)</u>
Funds	<u>2,480</u>	<u>100</u>

16. Parent charity

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

	2017	2016
	£	£
Gross income	248,210	236,296
(Surplus) / deficit for the year	<u>44,405</u>	<u>(174,848)</u>

17. Stock

	The group		The charity	
	2017	2016	2017	2016
	£	£	£	£
Shop stock	77,077	83,490	-	-
Quantock Belle stock	-	1,087	-	-
Williton stock	13,742	11,583	-	-
Home Counties Group books	<u>-</u>	<u>100</u>	<u>-</u>	<u>100</u>
	<u>90,819</u>	<u>96,260</u>	<u>-</u>	<u>100</u>

18. Debtors

	The group		The charity	
	2017	2016	2017	2016
	£	£	£	£
Trade debtors	35,238	72,881	4,348	7,886
Prepayments and accrued income	-	27,294	-	12,825
Amounts due from subsidiary	-	-	272,155	332,809
Other debtors	<u>20,136</u>	<u>60</u>	<u>20,136</u>	<u>60</u>
	<u>55,374</u>	<u>100,235</u>	<u>296,639</u>	<u>353,580</u>

West Somerset Railway Association

Notes to the financial statements

For the year ended 31 December 2017

19. Creditors : amounts due within 1 year

	The group		The charity	
	2017	2016	2017	2016
	£	£	£	£
Trade creditors	17,580	37,119	12,126	16,865
Accruals	13,620	20,951	7,300	11,871
Other taxation and social security	10,745	26,070	7,035	7,951
Other creditors	-	8,377	-	659
	<u>41,945</u>	<u>92,517</u>	<u>26,461</u>	<u>37,346</u>

20. Analysis of group net assets between funds

	Restricted funds	Unrestricted funds	Total funds
	£	£	£
Tangible fixed assets	-	654,517	654,517
Heritage assets	39,281	676,221	715,502
Investments	-	500	500
Current assets	-	464,356	464,356
Current liabilities	-	(41,945)	(41,945)
Net assets at 31 December 2017	<u>39,281</u>	<u>1,753,649</u>	<u>1,792,930</u>

Prior period comparative

	Restricted funds	Unrestricted funds	Total funds
	£	£	£
Tangible fixed assets	-	674,136	674,136
Heritage assets	14,885	755,942	770,827
Investments	-	500	500
Current assets	-	468,386	468,386
Current liabilities	-	(92,517)	(92,517)
Net assets at 31 December 2016	<u>14,885</u>	<u>1,806,447</u>	<u>1,821,332</u>

West Somerset Railway Association

Notes to the financial statements

For the year ended 31 December 2017

21. Movements in funds

	At 1 January 2017 £	Income £	Expenditure £	Transfers between funds £	At 31 December 2017 £
Restricted funds					
Locomotive restoration fund	14,885	27,752	(3,356)	-	39,281
Total restricted funds	14,885	27,752	(3,356)	-	39,281
Unrestricted funds					
General funds	1,806,447	658,971	(711,769)	-	1,753,649
Total unrestricted funds	1,806,447	658,971	(711,769)	-	1,753,649
Total funds	1,821,332	686,723	(715,125)	-	1,792,930

Purposes of restricted funds

Locomotive restoration fund

The fund was established to support restoration of Great Western Railway locomotives Small Prairie 4561, Large Prairie 4110 and 7821 Ditcheat Manor.

Prior period comparative

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

22. Related party transactions

There are no related party transactions.