

Company no. 02968284
Charity no. 1041901

West Somerset Railway Association
Report and Unaudited Financial
Statements
31 December 2018

West Somerset Railway Association

Reference and administrative details

For the year ended 31 December 2018

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:	
	Jack Baird	appointed 14 January 2019
	Frank Courtney	appointed 7 July 2018 resigned 13 August 2018
	William Foster	appointed 7 July 2018
	Geoffrey Garfield	
	John Glover	
	Rodney Greenway	resigned 13 August 2018
	Michael Lea	appointed 26 February 2018
	Nigel Power	
	Michael Sherwood	
	Simon Stretton	resigned 2 July 2018
	Robin White	appointed 7 July 2018
	Paul Whitehouse	(Chair)
Key management personnel	Jacquie Green	General Manager
	Kate Beard	Retail Manager
	Ryan Pope	Engineering Manager
	Keith Sandford	Administrator
	Kat Sims	Bookkeeper
Bankers	Royal Bank of Scotland 7 Fore Street Taunton TA1 1HT	Lloyds Bank 27 Fore Street Redruth TR15 2BJ
Solicitors	Bates Wells Braithwaite 10 Queen Street Place London EC4R 1BE	
Independent examiners	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 2018

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 2018

Achievements and performance

The **Locomotive Restoration Fund** was established to secure the long term security of locomotives operating on the WSR, through the refurbishment of two locomotives owned by the Association, Small Prairie 4561 and Manor Class 7821, Ditcheat Manor. Nearly £27,000 was raised for this fund, which now stands at just under £66,000. Work has started on the first phase of restoration of Small Prairie 4561, planned to achieve a rolling chassis.

Membership continued to reduce, albeit at a slower rate, but overall income from this source was £60,000. The Plc has agreed that from April 2019 all members will receive one free day's travel throughout the line, and 50% discount on all other tickets purchased. The Association will not claim gift aid on subscriptions (although it is claimed on all donations where possible) unless negotiations with HMRC are successful.

Agreement was reached with the Plc in early 2019 that the Association would once again run raffles on trains and that the on-train envelopes would be redesigned so that the Association would be able to reclaim gift aid to the greater benefit of the whole railway. There is now a clear understanding that the Association will concentrate on fundraising, so that its charitable status can be used to best effect, while the Plc will operate the trains and other commercial activities.

The Plc has indicated that it would like to purchase the shop, and possibly the whole of WSRA (Promotions) Limited. Trustees are well aware of their fiduciary duty to obtain a fair price for this business and discussions are continuing.

The 50-50 Club has again contributed over £6,000 to general funds.

The Board made grants of £740 to stations and other groups for small heritage projects, from general funds. Applications continue to be welcomed from all parts of the railway for assistance in heritage projects.

The charity's heritage dining train (Quantock Belle) had its second successful operating season under the management of the WSR Plc, following the charity's expenditure of £17,000 to further preserve the vehicles.

The Steam Fayre and Vintage Vehicle Rally was once again a great success, and raised net income of over £42,000 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 2018 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.

West Somerset Railway Association

Report of the trustees

For the year ended 31 December 2018

Plans for future periods

The Hinkley Point Community Fund awarded the Association £95,700 in November 2018, to deliver a Community Engagement Project, by strengthening the railway's links with the local community, in order to facilitate personal well-being, community cohesion and the training and upskilling of people living in West Somerset and the wider areas surrounding Hinkley Point. The board is very grateful to Andy Norman who as a very committed volunteer took this application through to a successful conclusion. Catherine Dance was appointed as Community Engagement Officer in January 2019 and is developing contacts and links for the project.

The trustees are working with a trust fundraiser in order to expand their fundraising programme in an attempt to diversify funding streams and increase sustainability.

Financial review

Total group expenditure exceeded income during the year by £45,000 (2017: £28,000). There was a reduction in reserves from £1.793m to £1.748m.

Total income during the year decreased by £52,116, but there was a corresponding reduction in expenditure of £35,538.

Reserves policy

The Association has sufficient reserves to sustain its current expenditure for at least three months (£75,000). The trustees believe that this amount is adequate. At 31 December 2018 free reserves amounted to £426,031 (2017: £422,411).

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 have adopted the WSR PLC's Safeguarding Policy, designed for the whole of the West Somerset Railway, and last updated in October 2018.

Statement of responsibilities of the trustees

The trustees (who are also directors of the charity for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

West Somerset Railway Association

Report of the trustees

For the year ended 31 December 2018

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 group and the incoming resources and application of resources, including the net income or expenditure, of the charity and the group 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 accounting 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.

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 are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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 2018 was 3,587 (2017: 3,955). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Independent examiners

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

Approved by the trustees on 11 March 2019 and signed on their behalf by



Paul Whitehouse - Chair



Michael Lea - Treasurer

Independent examiner's report

To the members of

West Somerset Railway Association

I report to the charity trustees on my examination of the consolidated accounts of the group comprising West Somerset Railway Association ('the charity') and its subsidiary undertakings, WSRA (Promotions) Limited, for the year ended 31 December 2018, which are set out on pages 8 to 27.

Responsibilities and basis of report

As the trustees of the charity you are responsible for the preparation of the consolidated accounts of the group in accordance with the requirements of the Charities Act 2011 ('the Act') and you have chosen to prepare consolidated accounts for the group. You are satisfied that the accounts of both the charity and the group are not required by company law to be audited and have chosen instead to have an independent examination.

I report in respect of my examination of the consolidated accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

An independent examination does not involve gathering all the evidence that would be required in an audit and consequently does not cover all the matters that an auditor considers in giving their opinion on the accounts. The planning and conduct of an audit goes beyond the limited assurance that an independent examination can provide. Consequently I express no opinion as to whether the consolidated accounts present a 'true and fair' view and my report is limited to those specific matters set out in the independent examiner's statement.

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales (ICAEW), which is one of the listed bodies.

I have completed my examination. I confirm that no material 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 and the group as required by section 130 of the 2011 Act and, with respect to the subsidiaries, as required by section 386 of the Companies Act 2006; or
- (2) the accounts do not accord with those records; or
- (3) the accounts 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 accounts 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).

Independent examiner's report

To the members of

West Somerset Railway Association

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 accounts to be reached.

Alison Godfrey

Date: 18 MARCH 2019.

Alison Godfrey FCA

Member of the ICAEW

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 2018

	Note	Restricted £	Unrestricted £	2018 Total £	2017 Total £
Income from:					
Donations and legacies	3	53,853	68,278	122,131	96,871
Other trading activities	4	-	512,408	512,408	589,766
Investments		-	68	68	86
Total income		<u>53,853</u>	<u>580,754</u>	<u>634,607</u>	<u>686,723</u>
Expenditure on:					
Raising funds		2,902	472,151	475,053	495,437
Charitable activities		1,970	202,564	204,534	219,688
Total expenditure	6	<u>4,872</u>	<u>674,715</u>	<u>679,587</u>	<u>715,125</u>
Net income / (expenditure) and net movement in funds	9	48,981	(93,961)	(44,980)	(28,402)
Reconciliation of funds:					
Total funds brought forward		<u>39,281</u>	<u>1,753,649</u>	<u>1,792,930</u>	<u>1,821,332</u>
Total funds carried forward		<u><u>88,262</u></u>	<u><u>1,659,688</u></u>	<u><u>1,747,950</u></u>	<u><u>1,792,930</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.

West Somerset Railway Association

Consolidated balance sheets

As at 31 December 2018

		The group		The charity	
	Note	2018	2017	2018	2017
		£	£	£	£
Fixed assets					
Tangible fixed assets	12	623,481	654,517	620,046	652,137
Heritage assets	13	675,629	715,502	675,629	715,502
Investments	14	500	500	600	600
		<u>1,299,610</u>	<u>1,370,519</u>	<u>1,296,275</u>	<u>1,368,239</u>
Current assets					
Stocks	17	83,103	90,819	-	-
Debtors	18	96,915	55,374	246,258	296,639
Cash at bank and in hand		346,109	318,163	241,936	144,132
		526,127	464,356	488,194	440,771
Liabilities					
Creditors: amounts falling due within 1 year	19	77,787	41,945	39,954	26,461
Net current assets		<u>448,340</u>	<u>422,411</u>	<u>448,240</u>	<u>414,310</u>
Net assets	21	<u>1,747,950</u>	<u>1,792,930</u>	<u>1,744,515</u>	<u>1,782,549</u>
Funds					
Restricted funds	22	88,262	39,281	88,262	39,281
Unrestricted funds					
General funds		<u>1,659,688</u>	<u>1,753,649</u>	<u>1,656,253</u>	<u>1,743,268</u>
Total funds		<u>1,747,950</u>	<u>1,792,930</u>	<u>1,744,515</u>	<u>1,782,549</u>

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 2006 (the Act) relating to the audit of the financial statements for the year by virtue of section 477(2), and that no member or members have requested an audit pursuant to section 476 of the Act.

West Somerset Railway Association

Consolidated balance sheets

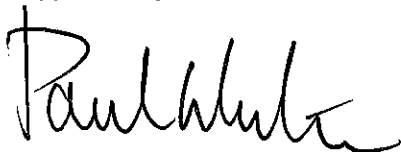
As at 31 December 2018

The directors acknowledge their responsibilities for:

- (i) ensuring that the company keeps proper accounting records which comply with section 386 of the Act; and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 393, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

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 11 March 2019 and signed on their behalf by



Paul Whitehouse - Chair



Michael Lea - Treasurer

West Somerset Railway Association

Consolidated statement of cash flows

For the year ended 31 December 2018

	2018 £	2017 £
Cash used in operating activities:		
Net movement in funds	(44,980)	(28,402)
<i>Adjustments for:</i>		
Depreciation charges	72,644	73,300
Dividends, interest and rents from investments	(68)	(86)
Loss / (profit) on the sale of fixed assets	(1,667)	2,872
Decrease / (increase) in stock	7,716	5,441
Decrease / (increase) in debtors	(41,541)	44,861
Increase / (decrease) in creditors	<u>35,842</u>	<u>(50,572)</u>
Net cash provided by / (used in) operating activities	<u>27,946</u>	<u>47,414</u>
Cash flows from investing activities:		
Dividends, interest and rents from investments	68	86
Proceeds from the sale of property, plant and equipment	1,667	19,106
Purchase of tangible fixed assets	<u>(1,735)</u>	<u>(20,334)</u>
Net cash provided by / (used in) investing activities	<u>-</u>	<u>(1,142)</u>
Increase / (decrease) in cash and cash equivalents in the year	27,946	46,272
Cash and cash equivalents at the beginning of the year	<u>318,163</u>	<u>271,891</u>
Cash and cash equivalents at the end of the year	<u>346,109</u>	<u>318,163</u>

West Somerset Railway Association

Notes to the financial statements

For the year ended 31 December 2018

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 2018

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 funds 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 2018

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 2018

2. Prior period comparatives

	Restricted £	Unrestricted £	2017 Total £
Income from:			
Donations and legacies	20,705	76,166	96,871
Other trading activities	7,047	582,719	589,766
Investments	-	86	86
Total income	27,752	658,971	686,723
Expenditure on:			
Raising funds	1,992	493,445	495,437
Charitable activities	1,364	218,324	219,688
Total expenditure	3,356	711,769	715,125
Net income / (expenditure) and net movement in funds	24,396	(52,798)	(28,402)

3. Income from donations and legacies

	Restricted £	Unrestricted £	2018 Total £
Membership subscriptions	-	60,000	60,000
Donations and gifts	29,140	7,278	36,418
Grant income	24,713	-	24,713
Legacies	-	1,000	1,000
Total donations and legacies	53,853	68,278	122,131
Prior period comparative			2017 Total £
Membership subscriptions	-	55,837	55,837
Donations and gifts	20,705	9,205	29,910
Legacies	-	11,124	11,124
Total donations and legacies	20,705	76,166	96,871

West Somerset Railway Association

Notes to the financial statements

For the year ended 31 December 2018

4. Income from other trading activities

	Restricted £	Unrestricted £	2018 Total £
Shop and café	-	282,222	282,222
West Somerset Restorations, Williton	-	100,092	100,092
Aggregate sales at Norton Fitzwarren	-	8,517	8,517
Quantock Belle and Hawksworth Saloon	-	3,769	3,769
Vintage Rally	-	97,183	97,183
50/50 club and raffles	-	11,541	11,541
Other income	-	9,084	9,084
Total other trading activities	-	512,408	512,408

Prior period comparative

	Restricted £	Unrestricted £	2017 Total £
Shop and café	-	314,371	314,371
West Somerset Restorations, Williton	-	120,736	120,736
Aggregate sales at Norton Fitzwarren	-	9,020	9,020
Quantock Belle and Hawksworth Saloon	-	11,004	11,004
Vintage Rally	-	96,838	96,838
50/50 club and raffles	7,047	6,933	13,980
Other income	-	23,817	23,817
Total other trading activities	7,047	582,719	589,766

5. Government grants

The charitable company did not receive any government grants during the year (2017: none).

West Somerset Railway Association

Notes to the financial statements

For the year ended 31 December 2018

6. Total expenditure

	Raising funds £	Charitable activities £	2018 Total £
Staff costs (note 10)	131,849	40,144	171,993
Cost of sales:			
Shop and café	186,924	-	186,924
West Somerset Restorations, Williton	38,932	-	38,932
Fundraising costs:			
Vintage Rally	51,336	-	51,336
50/50 club, annual draw and raffle	13,928	-	13,928
Other	12	-	12
Locomotive and coach costs	-	2,241	2,241
Property costs	19,325	30,562	49,887
Membership and journal costs	-	22,662	22,662
Support and governance costs (note 7)	32,747	108,925	141,672
Total expenditure	475,053	204,534	679,587

Prior year comparative

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

West Somerset Railway Association

Notes to the financial statements

For the year ended 31 December 2018

7. Support and governance costs

	Raising funds £	Charitable activities £	2018 Total £
<i>Support costs:</i>			
Depreciation	680	71,964	72,644
Insurance	6,843	4,376	11,219
General office costs	9,283	7,593	16,876
Meetings and mediation	478	457	935
Travel and motor expenses	-	7,098	7,098
Advertising	-	169	169
Equipment hire, repairs and maintenance	12,032	1,471	13,503
Bank charges	2,506	2,232	4,738
<i>Governance costs:</i>			
Legal costs	-	10,089	10,089
Accountancy and IE	925	3,476	4,401
Total support and governance costs	32,747	108,925	141,672

Prior year comparative

	Raising funds £	Charitable activities £	2017 Total £
<i>Support costs:</i>			
Depreciation	420	72,880	73,300
Insurance	6,450	6,062	12,512
General office costs	9,306	10,590	19,896
Meetings and mediation	1,775	1,333	3,108
Travel and motor expenses	-	2,163	2,163
Advertising	-	30	30
Equipment hire, repairs and maintenance	10,672	2,287	12,959
Bank charges	2,380	2,336	4,716
<i>Governance costs:</i>			
Legal costs	-	16,575	16,575
Audit	1,350	7,300	8,650
Accountancy	682	238	920
Total support and governance costs	33,035	121,794	154,829

West Somerset Railway Association

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For the year ended 31 December 2018

8. Grants payable

	2018	2017
	£	£
<i>Grants payable to institutions:</i>		
Blue Anchor station	-	300

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:

	2018	2017
	£	£
Depreciation	72,644	73,300
Trustees' remuneration	Nil	Nil
Trustees' reimbursed expenses	Nil	795
Auditors' remuneration:		
▪ Statutory audit	-	8,400
▪ Independent examination	3,850	-
▪ Other services	250	250

During the year no trustees (2017: 2) received reimbursed expenses for travel costs (2017: £795).

10. Staff costs and numbers

Staff costs were as follows:

	2018	2017
	£	£
Salaries and wages	160,348	193,503
Social security costs	7,359	8,608
Pension costs	4,286	5,550
	<u>171,993</u>	<u>207,661</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 £91,746 (2017: £103,266).

	2018	2017
	No.	No.
Average number of employees (full-time equivalent)	<u>9.4</u>	<u>12.3</u>

West Somerset Railway Association

Notes to the financial statements

For the year ended 31 December 2018

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 2018	858,199	166,978	1,025,177
Additions in year	-	1,735	1,735
At 31 December 2018	<u>858,199</u>	<u>168,713</u>	<u>1,026,912</u>
Depreciation			
At 1 January 2018	219,254	151,406	370,660
Charge for the year	28,761	4,010	32,771
At 31 December 2018	<u>248,015</u>	<u>155,416</u>	<u>403,431</u>
Net book value			
At 31 December 2018	<u>610,184</u>	<u>13,297</u>	<u>623,481</u>
At 31 December 2017	<u>638,945</u>	<u>15,572</u>	<u>654,517</u>

Tangible fixed assets - charity only

	Land and property £	Plant, fixtures and equipment £	Total £
Cost			
At 1 January 2018 and 31 December 2018	<u>858,199</u>	<u>164,178</u>	<u>1,022,377</u>
Depreciation			
At 1 January 2018	219,254	150,986	370,240
Charge for the year	28,761	3,330	32,091
At 31 December 2018	<u>248,015</u>	<u>154,316</u>	<u>402,331</u>
Net book value			
At 31 December 2018	<u>610,184</u>	<u>9,862</u>	<u>620,046</u>
At 31 December 2017	<u>638,945</u>	<u>13,192</u>	<u>652,137</u>

West Somerset Railway Association

Notes to the financial statements

For the year ended 31 December 2018

13. Heritage assets - group and charity

	Locomotives (under restoration) £	Coaches and other vehicles £	Total £
Cost			
At 1 January 2018	638,595	459,764	1,098,359
Disposals	-	(4,620)	(4,620)
At 31 December 2018	<u>638,595</u>	<u>455,144</u>	<u>1,093,739</u>
Depreciation			
At 1 January 2018	66,924	315,933	382,857
Charge for the year	-	39,873	39,873
On disposal	-	(4,620)	(4,620)
At 31 December 2018	<u>66,924</u>	<u>351,186</u>	<u>418,110</u>
Net book value			
At 31 December 2018	<u>571,671</u>	<u>103,958</u>	<u>675,629</u>
At 31 December 2017	<u>571,671</u>	<u>143,831</u>	<u>715,502</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 (Hawthornthwaite)	24,969
Generator coach 35408 (977165) "Jupiter"	39,405
Mk1 TSO coach 4419	21,245
Quantock Belle (capitalised maintenance costs)	<u>18,339</u>
Total net book value at year end	<u>675,629</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), one camping coach at Blue Anchor (9882), a staff accommodation coach at Bishops Lydeard (3668), and five other vehicles (M94917, BR94710, 1587, 2823 and 8080).

West Somerset Railway Association

Notes to the financial statements

For the year ended 31 December 2018

13. Heritage assets - group and charity (continued) Summary analysis of heritage asset transactions

	2018 £	2017 £	2016 £	2015 £	2014 £
Additions:					
Purchases	-	6,973	26,032	140,683	167,876
Total additions	-	6,973	26,032	140,683	167,876
Charges:					
Depreciation	39,873	40,320	40,811	34,808	22,531
Impairment	-	-	-	119,516	-
Other charges	-	-	-	11,477	-
Total charges	39,873	40,320	40,811	165,801	22,531
Disposals:					
Net book value	-	21,978	-	-	-
Proceeds from disposals:					
Sale proceeds	1,667	16,156	-	-	-

During the period there were 2 disposals of camping coaches with a nil net book value.

14. Investments

	The group		The charity	
	2018 £	2017 £	2018 £	2017 £
WSRA (Promotions) Ltd: 100 x £1 ordinary shares	-	-	100	100
Locomotive 5542 Ltd: 1 x £500 ordinary share	500	500	500	500
Total investments	500	500	600	600

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 2018

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:

	2018 £	2017 £
Turnover	404,903	454,867
Cost of sales	(217,856)	(223,224)
Gross profit	187,047	231,643
Administrative expenses	(183,932)	(225,036)
Profit for the financial year	3,115	6,607
Changes in equity:		
Retained profit brought forward	2,380	-
Total comprehensive income for the year	3,115	6,607
Gift aid donation to parent charity	(2,060)	(4,227)
Retained profit carried forward	3,435	2,380

The aggregate of the assets, liabilities and funds was:

	2018 £	2017 £
Assets	252,144	298,120
Liabilities	(248,609)	(295,640)
Funds	3,535	2,480

16. Parent charity

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

	2018 £	2017 £
Gross income	254,352	248,210
Surplus / (deficit) for the year	(38,036)	(44,405)

West Somerset Railway Association

Notes to the financial statements

For the year ended 31 December 2018

17. Stock

	The group		The charity	
	2018	2017	2018	2017
	£	£	£	£
Shop stock	75,799	77,077	-	-
Williton stock	7,304	13,742	-	-
	<u>83,103</u>	<u>90,819</u>	<u>-</u>	<u>-</u>

18. Debtors

	The group		The charity	
	2018	2017	2018	2017
	£	£	£	£
Trade debtors	86,141	35,238	24,708	4,348
Amounts due from subsidiary	-	-	210,776	272,155
Other taxation and social security	714	-	714	-
Other debtors	10,060	20,136	10,060	20,136
	<u>96,915</u>	<u>55,374</u>	<u>246,258</u>	<u>296,639</u>

19. Creditors: amounts due within 1 year

	The group		The charity	
	2018	2017	2018	2017
	£	£	£	£
Trade creditors	36,219	17,580	18,912	12,126
Accruals	25,319	13,620	13,982	7,300
Deferred income*	2,510	-	2,510	-
Other taxation and social security	11,669	10,745	2,480	7,035
Other creditors	2,070	-	2,070	-
	<u>77,787</u>	<u>41,945</u>	<u>39,954</u>	<u>26,461</u>

*Deferred income relates to income received in advance of field hire.

West Somerset Railway Association

Notes to the financial statements

For the year ended 31 December 2018

20. Financial instruments

	The group		The charity	
	2018	2017	2018	2017
	£	£	£	£
Financial assets that are debt instruments measured at amortised cost:				
Trade debtors	86,141	35,238	24,708	4,348
Amounts due from subsidiary	-	-	210,776	272,155
Other debtors	10,060	20,136	10,060	20,136
Cash at bank and in hand	346,109	318,163	241,936	144,132
	442,310	373,537	487,480	440,771

Financial liabilities measured at amortised cost:

Trade creditors	36,219	17,580	18,912	12,126
Accruals	25,319	13,620	13,982	7,300
Other creditors	2,070	-	2,070	-
	63,608	31,200	34,964	19,426

21. Analysis of group net assets between funds

	Restricted funds	Unrestricted funds	Total funds
	£	£	£
Tangible fixed assets	-	623,481	623,481
Heritage assets	65,953	609,676	675,629
Investments	-	500	500
Current assets	22,309	503,818	526,127
Current liabilities	-	(77,787)	(77,787)
Net assets at 31 December 2018	88,262	1,659,688	1,747,950

Prior period comparative

	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	39,281	1,753,649	1,792,930

West Somerset Railway Association

Notes to the financial statements

For the year ended 31 December 2018

22. Movements in funds

	At 1 January 2018 £	Income £	Expenditure £	At 31 December 2018 £
Restricted funds				
Locomotive restoration fund	39,281	26,936	(264)	65,953
Wagons donation fund	-	1,225	(1,095)	130
Castings donation fund	-	979	(875)	104
Hinkley Point community fund	-	24,713	(2,638)	22,075
Total restricted funds	39,281	53,853	(4,872)	88,262
Unrestricted funds				
General funds	1,753,649	580,754	(674,715)	1,659,688
Total unrestricted funds	1,753,649	580,754	(674,715)	1,659,688
Total funds	1,792,930	634,607	(679,587)	1,747,950

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.
Wagons donation fund	The fund was established to support the refurbishment of wagons in order to recreate a typical freight train of the 1940s era. Authentic canvas tarpaulins were purchased, along with timber supplies and other materials.
Castings donation fund	The fund was established to support the re-creation of Bristol and Exeter railway station signs, typical of the 1860s era at three stations from which they are missing. Patterns have been purchased and fundraising continues for the castings.
Hinkley Point community fund	The Hinkley Point community fund, managed by the Somerset Community Foundation, made a grant of £95,700 payable over 2 years to the WSRA for a Community Engagement Project. This will enable the railway to extend its reach to a wider and more diverse community base in order to facilitate personal well-being, community cohesion and the economic stability of West Somerset and the wider areas surrounding the Hinkley Point C build.

West Somerset Railway Association

Notes to the financial statements

For the year ended 31 December 2018

22. Movements in funds (continued)

Prior period comparative

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

23. Related party transactions

West Somerset Railway Association has a wholly owned trading subsidiary, WSRA (Promotions) Limited, a company limited by shares (company no. 03312904). During the year the trading subsidiary made sales of £22,589 (2017: £13,524) to the charity. At 31 December 2018, the trading subsidiary owed £210,776 (2017: £272,155) to the charity.