

Company no. 02968284  
Charity no. 1041901

**West Somerset Railway Association  
Report and Unaudited Financial Statements**

**Period from 1 January 2019  
to 31 March 2020**

West Somerset Railway Association

Reference and administrative details

For the period ended 31 March 2020

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**Company number** 02968284

**Charity number** 1041901

**Registered Address** The Railway Station  
Bishops Lydeard  
Taunton  
Somerset  
TA4 3BX

**Trustees**

Jack Baird	resigned 8 July 2019
William Foster	resigned 18 February 2020
Geoffrey Garfield	
John Glover	
Michael Lea	Sabbatical Feb 2020 – Sept 2020
Nigel Power	
Michael Sherwood	
Robin White	
Paul Whitehouse	resigned February 2020
Diana Ricketts-Turner	co-opted 3 June 2019

**Key Management Personnel**

Jacquie Green	General Manager
Keith Sandford	Administrator
Kat Sims	Bookkeeper

**Bankers**

Royal Bank of Scotland	Lloyds Bank
Drummond House	27 Fore Street
1 Redheughs Avenue	Redruth
Edinburgh	TR15 2BJ
EH12 9JN	

**Solicitors**

Bates Wells	Bailhache Law
10 Queen Street Place	2 Church Square
London	Taunton
EC4R 1BE	TA1 1SA

**Independent Examiners**

Wilkins Kennedy  
Secure House  
Lulworth Close  
Chandlers Ford  
Southampton SO53 3TL

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.

### **Paul Whitehouse**

The trustees thank Paul Whitehouse for his service as a trustee and as chairman of the Association. Paul was responsible, as leader of the trustee board for helping to steering the Association back onto the path of making a positive contribution to the Railway.

### **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, Ditchat Manor. Nearly £82,111 was raised for this fund, which now stands at just under £126,453. Work has started on the first phase of restoration of Small Prairie 4561, it is planned to achieve a rolling chassis during 2021. We will seek members authority to broaden the base of this fund such that we can support all WSR locomotives in the future.

**Membership** continued to reduce, albeit at a slower rate, but overall income from this source was £77,924. The Plc had previously 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.

Unfortunately, the financial difficulty they faced caused them to subsequently withdraw that offer. Agreement was reaffirmed with the Plc in early 2020 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 WSR Plc purchased the Trade and Assets of WSRA (Promotions) Ltd during 2019 for an agreed sum of £90,721. The trustees are satisfied that this represents a fair value for the business and will allow the trustees to focus much more on fundraising activity. Unfortunately the trustees, acting with goodwill and seeking to support the WSR plc passed the business across into WSR plc hands during December of 2019. It is our duty to report to you that the reciprocal transfer of funds did not occur at the same time with the WSR plc retaining what should have been WSRA funds. This lead WSRA to make a Serious Incident Report to the Charity Commission. We have now agreed to make an interest-bearing, secured loan to the PLC of most of the funds, repayable over 3 years. This is expected to be signed very soon, at which time we will be able to inform the Charity Commission that the serious incident is resolved.

The Board made grants of £1,295 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 third operating season under the management of the WSR Plc, Unfortunately there was no profit share and therefore over the winter of 2019/2020 the charity authorised further expenditure of £33,000 to enable more preservation work on the vehicles to maintain them in good condition.

The Charity contributed to several work programmes on the West Somerset Railway during 2019:

- Bishop Lydeard Locomotive loading area £ 24,287
- Completion of the overhaul of locomotive 9351 and its return to traffic £30,066
- Restoration of the P-way via the rail renewal appeal £187,000

The Steam Fayre and Vintage Vehicle Rally was once again a great success and raised net income of over £41,000 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 until the sale to the WSR plc. The trustees expect to see this performance and the benefit to the railway continue.

Efforts continued to recover the Association's shares in Four One Six O Limited.

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

The Association could not function without volunteers. In 2019/20 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;
- Bishops Lydeard 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. \*

\* Until the sale of the trade and assets at the end of 2019

During 2019 the charity agreed with the WSR plc and other members of the railway family that it would take the lead for volunteer recruitment for the Railway. The latter part of 2019 saw a lot of activity to prepare for this. A sub committee has been established and promotional and marketing material has been prepared. The new system will be launched as soon as the restrictions brought about by the Coronavirus have been lifted.

### **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 remains 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 has delivered the first year project objectives. Unfortunately due to the Coronavirus

outbreak the decision was taken, jointly with the HPC Community Fund, to suspend the project until the situation in the UK improves. Trustees hope to see the project re-started by the autumn of 2021.

The trustees are working with a trusted fundraiser in order to expand their fundraising programme in an attempt to diversify funding streams and increase sustainability. Work during the last year has brought funding of over £119,000 and we will continue this initiative.

### **Financial Review**

Total group income exceeded expenditure during the year by £28,000 (2018: expenditure exceeded income by £45,000). There was an increase in reserves from £1.748m to £1.776m.

Total income during the 15 months (2018 - 12 months) increased by £382,386 and there was a similar increase in expenditure of £309,290.

### **Reserves policy**

The Association has sufficient reserves to sustain its current expenditure for at least three months (£78,000). The trustees believe that this amount is adequate. At 31 March 2020 free reserves amounted to £483,302 (2018: £426,031).

### **Risk Management**

The principal risk facing the charity is declining membership. This has continued, albeit at a slower rate. The charity is also aware of the broader risk to the Heritage Railway movement and will continue to explore ways with the railway family of the West Somerset Railway to safeguard the future of the line.

### **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. This policy was last updated in October 2018 and requires further updating, The trustees are working with the directors of the WSR PLC to ensure this is carried out.

### **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).

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 the application of resources including the net income and expenditure of the charity and the group for the year. In preparing those statements the trustees are required to:

- Select suitable accounting policies and apply them consistently
- Observe the methods and principles in the Charities SORP

Report of the trustees

For the period ended 31 March 2020

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- 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 financial statements on the going concern basis unless it is inappropriate to presume 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 detection and prevention of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charities web site. Legislation in the United Kingdom governing the preparation and dissemination of financial information may differ from other jurisdictions.

Members of the charity guarantee to contribute an amount not to exceed £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31<sup>st</sup> March 2020 was 3,274 (2018: 3,587). The trustees are member of the Charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

**Independent Examiners**

Wilkins Kennedy were appointed independent examiners to the charity during the year and have expressed their willingness to continue in that capacity.

Approved by the trustees on 28 August 2020 and signed on their behalf by



Michael Sherwood – Chair



Geoff Garfield

## Independent Examiners Report

To the members of

West Somerset Railway Association

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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 period ended 31 March 2020, which are set out on pages 9 to 29.

### Responsibilities and basis of report

As the charity trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your company's 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.

### Independent examiner's statement

Since the company'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, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
- the accounts do not accord with those records; or
- 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
- 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)

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.

Oliver Rowe FCA



Wilkins Kennedy Audit Services  
Secure House  
Lulworth Close  
Chandlers Ford  
Southampton  
SO53 3TL

Date 1st September 2020 .....



West Somerset Railway Association

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

For the period ended 31 March 2020

		Restricted	Unrestricted	31-Mar-20 15 months	31-Dec-18 12 months
	Note	£	£	£	£
<b>Income from:</b>					
Donations and legacies	3	282,730	230,841	513,571	122,131
Other trading activities	4	1,341	501,633	502,974	512,408
Investment income		-	448	448	68
<b>Total income</b>		<u>284,071</u>	<u>732,922</u>	<u>1,016,993</u>	<u>634,607</u>
<b>Expenditure on:</b>					
Raising funds		-	429,941	429,941	475,053
Charitable activities		239,230	319,706	558,936	204,534
<b>Total Expenditure</b>	6	<u>239,230</u>	<u>749,647</u>	<u>988,877</u>	<u>679,587</u>
<b>Net Income / (expenditure) before transfers</b>	9	44,841	(16,725)	28,116	(44,980)
Transfers	22	22,828	(22,828)	-	-
<b>Net movement in funds</b>		<u>67,669</u>	<u>(39,553)</u>	<u>28,116</u>	<u>(44,980)</u>
<b>Reconciliation of funds:</b>					
Total funds brought forward		<u>88,262</u>	<u>1,659,688</u>	<u>1,747,950</u>	<u>1,792,930</u>
<b>Total funds carried forward</b>		<u>155,931</u>	<u>1,620,135</u>	<u>1,776,066</u>	<u>1,747,950</u>

There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 22 to the accounts.

## Consolidated balance sheet

For the period ended 31 March 2020

	Note	The group		The charity	
		31-Mar-20 £	31-Dec-18 £	31-Mar-20 £	31-Dec-18 £
<b>Fixed assets</b>					
Tangible fixed assets	12	577,665	623,481	577,149	620,046
Heritage assets	13	625,788	675,629	625,788	675,629
Investments	14	500	500	600	600
		<u>1,203,953</u>	<u>1,299,610</u>	<u>1,203,537</u>	<u>1,296,275</u>
<b>Current assets</b>					
Stocks	17	-	83,103	-	-
Debtors	18	170,679	96,915	278,390	246,258
Cash at bank and in hand		477,033	346,109	352,551	241,936
		<u>647,712</u>	<u>526,127</u>	<u>630,941</u>	<u>488,194</u>
<b>Liabilities</b>					
Creditors: amounts falling due within 1 year	19	75,599	77,787	58,993	39,954
<b>Net current assets</b>		<u>572,113</u>	<u>448,340</u>	<u>571,948</u>	<u>448,240</u>
<b>Net assets</b>	21	<u>1,776,066</u>	<u>1,747,950</u>	<u>1,775,485</u>	<u>1,744,515</u>
<b>Funds</b>					
Restricted funds	22	155,931	88,262	133,103	88,262
Unrestricted funds					
General Funds		1,620,135	1,659,688	1,642,382	1,656,253
<b>Total funds</b>		<u>1,776,066</u>	<u>1,747,950</u>	<u>1,775,485</u>	<u>1,744,515</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 period by virtue of section 477(2), and that no member or members have requested an audit pursuant to section 476 of the Act.

The directors acknowledge their responsibilities for:

- Ensuring that the company keeps proper accounting records which comply with section 366 of the Act; and
- 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 period and of its profit or loss for the financial period in accordance with the requirements of section 393, and which otherwise comply with the requirements of the Act relating to the financial statements, so far as applicable to the company.

West Somerset Railway Association

Consolidated balance sheets

For the period ended 31 March 2020

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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 28 August 2020 and signed on behalf by



Michael Sherwood – Chair



Geoff Garfield

West Somerset Railway Association

Consolidated statement of cash flows

For the period ended 31 March 2020

	<b>31-Mar-20</b>	<b>31-Dec-18</b>
	<b>15 months</b>	<b>12 months</b>
	<b>£</b>	<b>£</b>
<b>Cash used in operating activities:</b>		
Net movement in funds	28,116	(44,980)
Adjustments for:		
Depreciation charges	86,226	72,644
Dividends, interest and rents from investments	(448)	(68)
Loss / (profit) on the sale of fixed assets	(2,500)	(1,667)
Decrease / (increase) in stock	83,103	7,716
Decrease / (increase) in debtors	(73,764)	(41,541)
Increase / (decrease) in creditors	8,991	35,842
<b>Net cash provided by / (used in) operating activities</b>	<u>129,724</u>	<u>27,946</u>
<b>Cash flows from investing activities:</b>		
Dividends, interest and rents from investments	448	68
Proceeds from the sale of property, plant and equipment	(2,500)	1,667
Purchase of tangible fixed assets	(1,748)	(1,735)
<b>Net cash provided by / (used in) investing activities</b>	<u>1,200</u>	<u>-</u>
<b>Increase / (decrease) in cash and cash equivalents in the period</b>	130,924	27,946
<b>Cash and cash equivalents at the beginning of the period</b>	<u>346,109</u>	<u>318,163</u>
<b>Cash and cash equivalents at the end of the period</b>	<u><u>477,033</u></u>	<u><u>346,109</u></u>

## **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.

While there are no material uncertainties about the charity's ability to continue as a going concern, the COVID pandemic and subsequent restrictions will severely reduce our fundraising during the coming year, as the Steam Rally was cancelled, and fundraising was focussed on supporting the plc as fare income ceased. Trustees have taken action to control costs and avoid all but essential expenditure, while continuing to maintain our assets and support the operations of the railway.

### **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 period 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.

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

**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.

## Notes to the accounts

For the period ended 31 March 2020

**2. Prior period comparatives**

	Restricted £	Unrestricted £	2018 Total £
<b>Income from:</b>			
Donations and legacies	53,853	68,278	122,131
Other trading activities	-	512,408	512,408
Investments	-	68	68
<b>Total income</b>	<u>53,853</u>	<u>580,754</u>	<u>634,607</u>
<b>Expenditure on:</b>			
Raising funds	2,902	472,151	475,053
Charitable activities	1,970	202,564	204,534
<b>Total expenditure</b>	<u>4,872</u>	<u>674,715</u>	<u>679,587</u>
<b>Net income / (expenditure) and net movement in funds</b>	<u>48,981</u>	<u>(93,961)</u>	<u>(44,980)</u>

**3. Income from donations and legacies**

	Restricted £	Unrestricted £	2020 Total £
Membership subscriptions	-	77,924	77,924
Donations and gifts	282,730	9,405	292,135
Grant income	-	-	-
Legacies	-	143,512	143,512
<b>Total donations and legacies</b>	<u>282,730</u>	<u>230,841</u>	<u>513,571</u>

**Prior year comparative**

	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
<b>Total other trading activities</b>	<u>53,853</u>	<u>68,278</u>	<u>122,131</u>



## Notes to the accounts

For the period ended 31 March 2020

**4. Income from other trading activities**

	Restricted £	Unrestricted £	2020 Total £
Shop and café	-	240,121	240,121
West Somerset Restorations, Williton	-	92,096	92,096
Aggregate sales at Norton Fitzwarren	-	47,325	47,325
Quantock Belle and Hawksworth Saloon	-	-	-
Vintage Rally	-	101,486	101,486
50/50 club and raffles	-	12,908	12,908
Other income	1,341	7,697	9,038
<b>Total other trading activities</b>	<b>1,341</b>	<b>501,633</b>	<b>502,974</b>

**Prior period comparative**

	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
<b>Total other trading activities</b>	<b>-</b>	<b>512,408</b>	<b>512,408</b>

**5. Government grants**

The charitable company did not receive any government grants during the period (2018: none).

## Notes to the accounts

For the period ended 31 March 2020

**6. Total expenditure**

	Raising funds £	Charitable activities £	2020 Total £
Staff costs (note 10)	119,275	68,425	<b>187,700</b>
Cost of sales:			
Shop and café	231,655	-	<b>231,655</b>
West Somerset restorations, Williton	42,297	-	<b>42,297</b>
Fundraising costs:			
Vintage Rally Costs	59,096	-	<b>59,096</b>
50/50 club, annual draw and raffle	6,022	-	<b>6,022</b>
Other	-	14,081	<b>14,081</b>
Locomotive and coach costs	-	165,911	<b>165,911</b>
Locomotive 9351 costs	-	30,066	<b>30,066</b>
Hinkley Point Community Fund	-	42,389	<b>42,389</b>
Property costs	20,750	55,281	<b>76,031</b>
Membership and journal costs	-	21,978	<b>21,978</b>
Support and governance costs	30,037	160,805	<b>190,842</b>
Disposal of stock	(79,191)	-	<b>(79,191)</b>
<b>Total expenditure</b>	<b>429,941</b>	<b>558,936</b>	<b>988,877</b>
<b>Prior period comparative</b>			
	Raising funds £	Charitable activities £	2018 Total £
Staff costs (note 10)	131,849	40,144	<b>171,993</b>
Cost of sales:			
Shop and café	186,924	-	<b>186,924</b>
West Somerset restorations, Williton	38,932	-	<b>38,932</b>
Fundraising costs:			
Vintage Rally costs	51,336	-	<b>51,336</b>
50/50 club, annual draw and raffle	13,928	-	<b>13,928</b>
Other	12	-	<b>12</b>
Locomotive and coach costs	-	2,241	<b>2,241</b>
Property costs	19,325	30,562	<b>49,887</b>
Membership and journal costs	-	22,662	<b>22,662</b>
Support and governance costs	32,747	108,925	<b>141,672</b>
<b>Total expenditure</b>	<b>475,053</b>	<b>204,534</b>	<b>679,587</b>

## Notes to the accounts

For the period ended 31 March 2020

**7. Support and governance costs**

	Raising funds £	Charitable activities £	2020 Total £
<i>Support costs:</i>			
Depreciation	65	86,778	<b>86,843</b>
Insurance	2,812	5,052	<b>7,864</b>
General office costs	8,435	11,324	<b>19,759</b>
Meetings and meditation	-	7,015	<b>7,015</b>
Travel and motor expenses	463	914	<b>1,377</b>
Advertising	-	10	<b>10</b>
Equipment hire, repairs and maintenance	11,733	19,768	<b>31,501</b>
Bank charges	4,566	3,087	<b>7,653</b>
<i>Governance costs:</i>			
Legal costs	-	18,908	<b>18,908</b>
Accountancy and IE	1,963	7,949	<b>9,912</b>
<b>Total support and governance costs</b>	<b>30,037</b>	<b>160,805</b>	<b>190,842</b>

**Prior period comparative**

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

**8. Grants payable**

Grants of £1,295 have been paid within the current period (2018: None).

## Notes to the accounts

For the period ended 31 March 2020

**9. Net movement in funds**

	<b>2020</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Depreciation	86,843	72,644
Trustees' remuneration	-	-
Trustees' reimbursed expenses	-	-
Auditors' remuneration		
- Statutory audit	-	-
- Independent examination	5,000	3,850
- Other services	-	250
	<u>                    </u>	<u>                    </u>

During the period no trustees (2018: none) received reimbursed expenses for travel costs (2018: £Nil).

**10. Staff costs and numbers**

Staff costs were as follows:

	<b>2020</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Salaries and wages	193,535	160,348
Social security costs	13,419	7,359
Pension costs	5,001	4,286
	<u>                    </u>	<u>                    </u>
	<u>211,955</u>	<u>171,993</u>

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

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 £82,315 (2018: £91,746).

	<b>2020</b>	<b>2018</b>
	<b>No.</b>	<b>No.</b>
Average number of employees (full-time equivalent)	<u>8.3</u>	<u>9.4</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**

	Land and Property £	Plant, Fixtures and equipment £	Total £
<b>Cost</b>			
At 1 January 2019	858,199	168,713	1,026,912
Additions in the period	-	1,748	1,748
Disposals in the period	(61,677)	(7,035)	(68,712)
<b>At 31 March 2020</b>	<u>796,522</u>	<u>163,426</u>	<u>959,948</u>
<b>Depreciation</b>			
At 1 January 2019	248,015	155,416	403,431
Charge for the period	33,485	4,366	37,851
Depreciation eliminated on disposal	(54,549)	(4,450)	(58,999)
<b>At 31 March 2020</b>	<u>226,951</u>	<u>155,332</u>	<u>382,283</u>
<b>Net book value</b>			
<b>At 31 March 2020</b>	<u>569,571</u>	<u>8,094</u>	<u>577,665</u>
<b>At 31 December 2018</b>	<u>610,184</u>	<u>13,297</u>	<u>623,481</u>
<b>Tangible fixed assets charity only</b>			
	Land and Property £	Plant, Fixtures and equipment £	Total £
<b>Cost</b>			
At 1 January 2019	858,199	164,178	1,022,377
Additions in the period	-	1,167	1,167
Disposals in the period	(61,677)	(2,500)	(64,177)
<b>At 31 March 2020</b>	<u>796,522</u>	<u>162,845</u>	<u>959,367</u>
<b>Depreciation</b>			
At 1 January 2019	248,015	154,316	402,331
Charge for the period	33,485	3,451	36,936
Depreciation eliminated on disposal	(54,549)	(2,500)	(57,049)
<b>At 31 March 2020</b>	<u>226,951</u>	<u>155,267</u>	<u>382,218</u>
<b>Net book value</b>			
<b>At 31 March 2020</b>	<u>569,571</u>	<u>7,578</u>	<u>577,149</u>
<b>At 31 December 2018</b>	<u>610,184</u>	<u>13,307</u>	<u>623,491</u>

## Notes to the accounts

For the period ended 31 March 2020

**13. Heritage assets – group and charity**

	Locomotives (under restoration) £	Coaches and other vehicles £	Total £
<b>Cost</b>			
At 1 January 2019	638,595	455,144	1,093,739
Additions in period	-	-	-
Disposals in the period	-	-	-
<b>At 31 March 2020</b>	<u>638,595</u>	<u>455,144</u>	<u>1,093,739</u>
<b>Depreciation</b>			
At 1 January 2019	66,924	351,186	418,110
Charge for the period	-	49,841	49,841
Depreciation eliminated on disposal	-	-	-
<b>At 31 March 2020</b>	<u>66,924</u>	<u>401,027</u>	<u>467,951</u>
<b>Net book value</b>			
<b>At 31 March 2020</b>	<u><u>571,671</u></u>	<u><u>54,117</u></u>	<u><u>625,788</u></u>
<b>At 31 December 2018</b>	<u><u>571,671</u></u>	<u><u>103,958</u></u>	<u><u>675,629</u></u>

Heritage assets includes the following locomotives and rolling stock:

	<b>Net book value £</b>
<b>Locomotives (under restoration):</b>	
2-6-2T locomotive number 4561	391,671
4-6-0 locomotive number 7821 "Ditcheat Manor"	180,000
<b>Coaches and other vehicles:</b>	
80970W (Hawthornthwaite)	11,735
Generator coach 35408 (977165) "Jupiter"	22,081
Mk1 TSO coach 4419	12,389
Quantock Belle (capitalised maintenance costs)	7,912
	<u><u><b>625,788</b></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), one camping coach at Blue Anchore (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**

	2020 £	2018 £	2017 £	2016 £	2015 £
<b>Additions:</b>					
Purchases	-	-	6,973	26,032	140,683
Total additions	<u>-</u>	<u>-</u>	<u>6,973</u>	<u>26,032</u>	<u>140,683</u>
<b>Charges:</b>					
Depreciation	49,841	39,873	40,320	40,811	34,808
Impairment	-	-	-	-	119,516
Other charges	-	-	-	-	11,477
Total charges	<u>49,841</u>	<u>39,873</u>	<u>40,320</u>	<u>40,811</u>	<u>165,801</u>
<b>Disposals:</b>					
Net book value	<u>-</u>	<u>-</u>	<u>21,978</u>	<u>-</u>	<u>-</u>
<b>Proceeds from disposals:</b>					
Sale proceeds	<u>-</u>	<u>1,667</u>	<u>16,156</u>	<u>-</u>	<u>-</u>

**14. Investments**

	The group		The charity	
	2020 £	2018 £	2020 £	2018 £
WSRA (Promotions) Ltd: 100 x £1 ordinary shares	-	-	100	100
Locomotive 5542 Ltd: 1 x £500 ordinary shares	500	500	500	500
	<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. A summary of the trading subsidiary's financial statements is set out below:

	<b>2020</b>	<b>2018</b>
	£	£
Turnover	373,702	404,903
Cost of sales	<u>(271,914)</u>	<u>(217,856)</u>
Gross profit	101,788	187,047
Administrative expenses	<u>(92,265)</u>	<u>(183,932)</u>
Profit for the financial period	9,523	3,115
Changes in equity:		
Retained profit brought forward	3,435	2,380
Total comprehensive income for the period	9,523	3,115
Gift aid donation to parent charity	(12,377)	(2,060)
Retained profit carried forward	<u><u>581</u></u>	<u><u>3,435</u></u>

The aggregate of the assets, liabilities and funds was:

Assets	235,480	252,144
Liabilities	<u>(234,799)</u>	<u>(248,609)</u>
Funds	<u><u>681</u></u>	<u><u>3,535</u></u>

**16. Parent charity**

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

	<b>2020</b>	<b>2018</b>
	£	£
Gross income	695,812	254,352
Surplus / (deficit) for the period	<u><u>29,629</u></u>	<u><u>(38,036)</u></u>



## Notes to the accounts

For the period ended 31 March 2020

**17. Stock**

	The group		The charity	
	2020	2018	2020	2018
	£	£	£	£
Shop stock	-	75,799	-	-
Williton stock	-	7,304	-	-
	-	83,103	-	-

**18. Debtors**

	The group		The charity	
	2020	2018	2020	2018
	£	£	£	£
Trade debtors	29,522	86,141	3,685	24,708
Amounts due from subsidiary	-	-	218,193	210,776
Other taxation and social security	39,148	714	37,479	714
Other debtors	102,009	10,060	19,033	10,060
	170,679	96,915	278,390	246,258

**19. Creditors: amounts due within 1 year**

	The group		The charity	
	2020	2018	2020	2018
	£	£	£	£
Trade creditors	63,962	36,219	50,756	18,912
Accruals	8,500	25,319	5,100	13,982
Deferred income	-	2,510	-	2,510
Other taxation and social security	3,137	11,669	3,137	2,480
Other creditors	-	2,070	-	2,070
	75,599	77,787	58,993	39,954

**20. Financial instruments**

	The group		The charity	
	2020	2018	2020	2018
	£	£	£	£
Financial assets that are debt instruments measured at amortised cost:				
Trade debtors	29,522	86,141	3,685	24,708
Amounts due from subsidiary	-	-	218,193	210,776
Other debtors	102,009	10,060	7,745	10,060
Cash at bank and in hand	477,033	346,109	352,551	241,936
	<u>608,564</u>	<u>442,310</u>	<u>582,174</u>	<u>487,480</u>
Financial liabilities measured at amortised cost:				
Trade creditors	63,962	36,219	50,756	18,912
Accruals	8,500	25,319	5,100	13,982
Other creditors	1,235	2,070	3,137	2,070
	<u>73,697</u>	<u>63,608</u>	<u>58,993</u>	<u>34,964</u>

**21. Analysis of group net assets between funds**

	Restricted	Unrestricted	Total
	funds	funds	funds
	£	£	£
Tangible fixed assets	1,167	576,498	577,665
Heritage assets	65,953	559,835	625,788
Investments	-	500	500
Current assets	88,811	558,901	647,712
Current liabilities	-	(75,599)	(75,599)
	<u>155,931</u>	<u>1,620,135</u>	<u>1,776,066</u>
<b>Net assets at 31 March 2020</b>			
<b>Prior period comparative</b>			
	Restricted	Unrestricted	Total
	funds	funds	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)
	<u>88,262</u>	<u>1,659,688</u>	<u>1,747,950</u>
<b>Net assets at 31 December 2018</b>			

**22. Movements in funds**

	At 1 January 2019	Income	Expenditure	Transfers	At 31 March 2020
	£	£	£	£	£
<b>Restricted funds</b>					
Locomotive restoration fund	65,953	82,110	(22,127)	-	<b>125,936</b>
Wagons donation fund	130	65	(195)	-	-
Castings donation fund	104	1,872	-	-	<b>1,976</b>
Hinkley Point community fund	22,075	24,712	(42,389)	-	<b>4,398</b>
Home counties group	-	1,341	-	-	<b>1,341</b>
Points machines	-	784	-	-	<b>784</b>
Locomotive 9351	-	17,888	(30,066)	12,178	-
Volunteer training	-	4,050	(3,442)	-	<b>608</b>
Rail Renewal	-	130,142	(140,792)	10,650	-
Carriage Vandalism	-	1,439	(219)	-	<b>1,220</b>
Specific Donations	-	1,167	-	-	<b>1,167</b>
Carriage Preserve and Protect fund	-	18,501	-	-	<b>18,501</b>
<b>Total restricted funds</b>	<b>88,262</b>	<b>284,071</b>	<b>(239,230)</b>	<b>22,828</b>	<b>155,931</b>
<b>Unrestricted funds</b>					
General funds	1,659,688	732,922	(749,647)	(22,828)	<b>1,620,135</b>
<b>Total unrestricted funds</b>	<b>1,659,688</b>	<b>732,922</b>	<b>(749,647)</b>	<b>(22,828)</b>	<b>1,620,135</b>
<b>Total funds</b>	<b>1,747,950</b>	<b>1,016,993</b>	<b>(988,877)</b>	<b>-</b>	<b>1,776,066</b>

Notes to the accounts

For the period ended 31 March 2020

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Locomotive restoration fund	The fund was established to support restoration of Great Western Railway locomotives Small Prairie 4561 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.
Home counties group	Funds from a previous a sub-group of the WSRA. Restricted to support assets previously managed by that group.
Points machines	Donated funds to cover the cost of transporting Points Machines to the WSR.
Locomotive 9351	Funds raised and used to support the final assembly of locomotive 9351 and return it traffic on the WSR. Project completed in July 2019.
Volunteer training	Funds donated to support the training of volunteers, including first aid training
Rail Renewal	Funds raised and used to support work on renewal of the WSR track, over the 2019/2020 winter period.
Carriage Vandalism	Funds donated and used in response to an appeal following vandalism to a carriage in the sidings at Bishops Lydeard.
Specific Donations	Funds donated to support the purchase of equipment for use in the restoration and maintenance of Heritage assets on the WSR.
Carriage Preserve and Protect fund	To preserve and protect carriages by maintaining them and providing suitable covered storage for them.

**22. Movements in funds (continued)**

## Prior period comparative

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

**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 period the trading subsidiary made sales of £41,485 (2018: £22,589) to the charity. At 31 March 2020, the trading subsidiary owed £218,193 (2018: £210,776) to the charity.