

Charity registration number: 1172852

Littlehampton Heritage Railway Association

Annual Report and Financial Statements

for the Year Ended 31 May 2019

Wiston House
1 Wiston Avenue
Worthing
West Sussex
BN14 7QL

Littlehampton Heritage Railway Association

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Littlehampton Heritage Railway Association

Reference and Administrative Details

Trustees	B Mercer (resigned 20 June 2019)
	C Shanks
	D Harris
	M White (resigned 30 August 2018)
	M Cook (appointed 2 May 2019)
	G Bashall (appointed 21 November 2018)
	S Tooley (appointed 18 October 2018)
Principal Office	The Engine Shed
	Mewsbrook Park
	Hendon Avenue
	Littlehampton
	West Sussex
	BN16 2LX
Charity Registration Number	1172852

Littlehampton Heritage Railway Association

Trustees' Report

The trustees, present the annual report together with the financial statements of the charity for the year ended 31 May 2019.

Objectives and activities

Objects and aims

As stated in the charity's memorandum, the object of the charity is:

To restore, preserve, exhibit and operate railway locomotives, carriages, wagons, vehicles and other artefacts of historical interest and the structures connected therewith for the benefit and education of the general public and to conserve books, drawings, records, documents, sound and visual recordings, cinematography, films and photographs and other archive material relating to such artefacts and vehicles, their history and development.

Public benefit

The Littlehampton Heritage Railway Association (LHRA) is run on a not for profit basis and the trustees have had regard to the Charity Commission guidance on public benefit and paid due regard to it in deciding what activities the charity should undertake.

The trustees confirm that they have complied with the requirements of section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Achievements and performance

The charity operates The Littlehampton Miniature Railway and a passenger service commenced on 23 July 2016 running along the Littlehampton seafront. The railway is staffed entirely by volunteers.

During the current year, the Charity has increased its rolling stock by the addition of added a number of wagons to assist in the maintenance of the track and infrastructure. Considerable work has also been carried out to improve the track and improve security by installing CCTV and an alarm system including an additional fire exit door. Work has also been started by one of the members to build a steam locomotive.

Social and community

During the current year, LHRA carried a total of 13,582 passenger which figure includes 4,634 children and young persons and 899 families. In addition, the railway continued its policy of making special provision to carry children from local primary schools, brownie and scouting packs.

To improve information, LHRA installed a 24hr messaging service that can be operated remotely in order to provide the public with up to date running information.

In conjunction with the West Sussex County Council community volunteers, the old shelter was removed at the Norfolk Gardens station and a new shelter erected.

The year saw the introduction into service of our first fully equipped disabled carriage which has enabled wheelchair users and their carers to enjoy the railway in comfort and safety. This has proved so popular that plans have now been agreed to modify a second carriage to carry disabled passengers.

LHRA continues to operate extremely active Facebook and Twitter sites as part of our community outreach program, which are regularly updated by our Community Officer. This continues to get extremely positive feedback from the local community as well as continuing to give valuable information for tourists.

Littlehampton Heritage Railway Association

Trustees' Report

Heritage Work

Work continues to develop the railway's Heritage Centre located in the Engine Shed at Mewsbrook Park. With static displays and information leaflets depicting the history of the railway; access to the Heritage Centre is free to all members of the public.

In addition to work on the wheelchair accessible carriages, the Charity has modified and refurbished two of the existing carriages which, by lifting the roof height, has made access for the elderly more convenient.

Over 100 metres of track has been lifted and new track laid on to new sleepers all carried out manually by our members. During the work on the infrastructure and old original point was located and this is to be relaid as part of a new heritage exhibit. Furthermore, the turntable at Norfolk Gardens was rebuilt due to subsidence of the retaining wall.

Financial review

During the year income from unrestricted funds was £44,649 and expenditure was £26,619. There was a surplus for the year of £18,030.

At 31 May 2019 the balance on unrestricted funds was £35,220.

Policy on reserves

The trustees seek to maintain adequate unrestricted reserves to enable the smooth day to day operations of the charity. At the present moment in time the trustees would like to build the level of unrestricted reserves to cover three months expenditure.

Investment policy and objectives

The trustees may borrow or raise money for the objects of the charity on such terms and on such security as may be thought fit and whether by the creation and issue of debentures or debenture stock or otherwise.

They may also invest monies of the company not immediately required for its purpose in or upon such investments, securities or property as may be thought fit, subject nevertheless to such conditions (if any) as may for the time being be imposed or required by law and subject also as hereafter provided.

Structure, governance and management

Nature of governing document

The charity is registered as a charitable incorporated organisation (CIO) as of 3 May 2017.

Organisational structure

The charity is run by a board of trustees who delegate the day to day operation to volunteers.

The annual report was approved by the trustees of the charity on and signed on its behalf by:

.....
C Shanks
Trustee

Littlehampton Heritage Railway Association

Statement of Trustees' Responsibilities

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

The law applicable to charities requires the trustees to prepare financial statements for each financial year. Under charity law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the trustees of the charity on and signed on its behalf by:

.....
C Shanks
Trustee

Littlehampton Heritage Railway Association

Independent Examiner's Report to the trustees of Littlehampton Heritage Railway Association

I report on the accounts of the charity for the year ended 31 May 2019 which are set out on pages 6 to 13 .

Respective responsibilities of trustees and examiner

The trustees are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

(1) which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with section 130 of the Charities Act 2011; and
- to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 2011 Act

have not been met; or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

.....
M J Hodson FCA
Independent Examiner

Wiston House
1 Wiston Avenue
Worthing
West Sussex
BN14 7QL

Date:.....

Littlehampton Heritage Railway Association

Statement of Financial Activities for the Year Ended 31 May 2019

	Note	Unrestricted funds £	Restricted funds £	Total 2019 £
Income and Endowments from:				
Charitable activities	2	43,878	765	44,643
Investment income	3	6	-	6
Total Income		43,884	765	44,649
Expenditure on:				
Charitable activities	4	(26,619)	-	(26,619)
Total Expenditure		(26,619)	-	(26,619)
Net income		17,265	765	18,030
Net movement in funds		17,265	765	18,030
Reconciliation of funds				
Total funds brought forward		17,955	-	17,955
Total funds carried forward	8	35,220	765	35,985
	Note	Unrestricted funds £	Total 2018 £	
Income and Endowments from:				
Charitable activities	2	29,361	29,361	
Total Income		29,361	29,361	
Expenditure on:				
Charitable activities	4	(15,914)	(15,914)	
Total Expenditure		(15,914)	(15,914)	
Net income		13,447	13,447	
Net movement in funds		13,447	13,447	
Reconciliation of funds				
Total funds brought forward		4,507	4,507	
Total funds carried forward	8	17,954	17,954	

All of the charity's activities derive from continuing operations during the above two periods.
The funds breakdown for 2018 is shown in note 8.

Littlehampton Heritage Railway Association

(Registration number: 1172852)
Balance Sheet as at 31 May 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	6	14,894	15,729
Current assets			
Cash at bank and in hand		21,536	5,906
Creditors: Amounts falling due within one year	7	<u>(445)</u>	<u>(3,681)</u>
Net current assets		<u>21,091</u>	<u>2,225</u>
Net assets		<u>35,985</u>	<u>17,954</u>
Funds of the charity:			
Restricted funds		765	-
Unrestricted income funds			
Unrestricted funds		<u>35,220</u>	<u>17,954</u>
Total funds	8	<u>35,985</u>	<u>17,954</u>

The financial statements on pages 6 to 13 were approved by the trustees, and authorised for issue on and signed on their behalf by:

.....
C Shanks
Trustee

Littlehampton Heritage Railway Association

Notes to the Financial Statements for the Year Ended 31 May 2019

1 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

Basis of preparation

Littlehampton Heritage 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 notes.

The financial statements are prepared in sterling which is the functional currency of the entity.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

Exemption from preparing a cash flow statement

The charity opted to early adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

Judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Income and endowments

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

Littlehampton Heritage Railway Association

Notes to the Financial Statements for the Year Ended 31 May 2019

1 Accounting policies (continued)

Donations and legacies

Donations, are recognised when they have been communicated in writing with notification of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Legacy gifts are recognised on a case by case basis following the granting of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliable measurable with a degree of reasonable accuracy and the title to the asset has been transferred to the charity.

Investment income

Interest on funds held on deposit is included upon notification of the interest paid or payable by the Bank.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

All resources expended are inclusive of irrecoverable VAT.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including strategic management and trustees's meetings and reimbursed expenses.

Irrecoverable VAT

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

Littlehampton Heritage Railway Association

Notes to the Financial Statements for the Year Ended 31 May 2019

1 Accounting policies (continued)

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charity for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets

Individual fixed assets costing £100.00 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Plant and machinery	over 4 years
Fixture and fittings	15% reducing balance
Equipment	between 2 and 5 years

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees's discretion in furtherance of the objectives of the charity.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Littlehampton Heritage Railway Association

Notes to the Financial Statements for the Year Ended 31 May 2019

1 Accounting policies (continued)

Financial instruments

Classification

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 measured at amortised cost using the effective interest method.

2 Income from charitable activities

	Unrestricted funds	Restricted funds	Total 2019	Total 2018
	General £	£	£	£
Railway operation	43,878	765	44,643	29,361

3 Investment income

	Unrestricted funds	Total 2019
	General £	£
Interest receivable and similar income; Interest receivable on bank deposits	6	6

4 Expenditure on charitable activities

	Note	Unrestricted funds	Total 2019	Total 2018
		General £	£	£
Railway operation		25,340	25,340	14,914
Allocated support costs		1,279	1,279	1,000
		26,619	26,619	15,914
	Activity undertaken directly	Activity support costs	Total 2019	Total 2018
	£	£	£	£
Railway operations	24,011	1,329	25,340	14,914

£26,619 (2018 - £15,914) of the above expenditure was attributable to unrestricted funds and £Nil (2018 - £Nil) to restricted funds.

Littlehampton Heritage Railway Association

Notes to the Financial Statements for the Year Ended 31 May 2019

5 Taxation

The charity is a registered charity and is therefore exempt from taxation.

6 Tangible fixed assets

	Furniture and equipment £	Other tangible fixed asset £	Total £
Cost			
At 1 June 2018	3,299	16,047	19,346
Additions	<u>192</u>	<u>1,308</u>	<u>1,500</u>
At 31 May 2019	<u>3,491</u>	<u>17,355</u>	<u>20,846</u>
Depreciation			
At 1 June 2018	627	2,990	3,617
Charge for the year	<u>600</u>	<u>1,735</u>	<u>2,335</u>
At 31 May 2019	<u>1,227</u>	<u>4,725</u>	<u>5,952</u>
Net book value			
At 31 May 2019	<u><u>2,264</u></u>	<u><u>12,630</u></u>	<u><u>14,894</u></u>
At 31 May 2018	<u><u>2,672</u></u>	<u><u>13,057</u></u>	<u><u>15,729</u></u>

7 Creditors: amounts falling due within one year

	2019 £	2018 £
Other creditors	(1)	3,261
Accruals	<u>446</u>	<u>420</u>
	<u><u>445</u></u>	<u><u>3,681</u></u>

Littlehampton Heritage Railway Association

Notes to the Financial Statements for the Year Ended 31 May 2019

8 Funds

	Balance at 1 June 2018 £	Incoming resources £	Resources expended £	Balance at 31 May 2019 £
Unrestricted funds				
<i>General</i>				
Railway operation	17,955	43,884	(26,619)	35,220
Restricted funds				
Modify Carriages	-	765	-	765
Total funds	<u>17,955</u>	<u>44,649</u>	<u>(26,619)</u>	<u>35,985</u>
	Balance at 1 June 2017 £	Incoming resources £	Resources expended £	Balance at 31 May 2018 £
Unrestricted funds				
<i>General</i>				
Railway operation	<u>4,507</u>	<u>29,361</u>	<u>(15,914)</u>	<u>17,954</u>

9 Analysis of net funds

	At 1 June 2018 £	Cash flow £	At 31 May 2019 £
Cash at bank and in hand	5,906	15,630	21,536
Net debt	<u>5,906</u>	<u>15,630</u>	<u>21,536</u>

10 Related party transactions

There were no related party transactions in the year.