

EAST LANCASHIRE RAILWAY TRUST LIMITED
COMPANY LIMITED BY GUARANTEE
FINANCIAL STATEMENTS
FOR
31st MARCH 2012

THURSDAY



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Charity Number 701034

**EAST LANCASHIRE RAILWAY TRUST LIMITED
COMPANY LIMITED BY GUARANTEE**

FINANCIAL STATEMENTS

YEAR ENDED 31st MARCH 2012

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**EAST LANCASHIRE RAILWAY TRUST LIMITED
COMPANY LIMITED BY GUARANTEE**

MEMBERS OF THE BOARD AND PROFESSIONAL ADVISERS

Registered charity name East Lancashire Railway Trust Limited
Charity number 701034
Company registration number 1865059

Registered office Town Hall
Knowsley Street
Bury
Lancashire
BL9 0SW

Trustees Councillor B J Davies
Mr P M Duncan
Mr C E Jones
Councillor B Bennion
Councillor J Lewis
Councillor R Dutton
Councillor P Marriot
Councillor A Cheetham
Councillor R Walker
Councillor A Barnes
Councillor M Barron

Secretary Mr M W Kelly

Auditor Horsfield & Smith
Chartered Accountants
& Statutory Auditor
Tower House
269 Walmersley Road
Bury
Lancashire
BL9 6NX

Bankers National Westminster Bank Plc
36 The Rock
Bury
Lancashire
BL9 0NU

EAST LANCASHIRE RAILWAY TRUST LIMITED COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31st MARCH 2012

The trustees, who are also directors for the purposes of company law, have pleasure in presenting their report and the financial statements of the charity for the year ended 31st March 2012

REFERENCE AND ADMINISTRATIVE DETAILS

Reference and administrative details are shown in the schedule of members of the board and professional advisers on page 1 of the financial statements

THE TRUSTEES

The trustees who served the charity during the period were as follows

Councillor B J Davies	(Rochdale MBC)	
Councillor B Bennion	(Rochdale MBC)	
Councillor R Dutton	(Rochdale MBC)	(Appointed 23rd June 2011)
Councillor P Rush	(Rochdale MBC)	(Retired 23rd June 2011)
Mr C E Jones	(Bury MBC)	
Councillor R Walker	(Bury MBC)	(Retired 23rd June 2011) (Appointed 21st June 2012)
Councillor J Lewis	(Bury MBC)	(Appointed 23rd June 2011)
Councillor B Theckston	(Bury MBC)	(Retired 21st June 2012)
Councillor A Barnes	(Rossendale BC)	(Appointed 21st June 2012)
Councillor P Marriot	(Rossendale BC)	(Appointed 23rd June 2011)
Councillor J Pilling	(Rossendale BC)	(Appointed 23rd June 2011) (Retired 21st June 2012)
Councillor A Cheetham	(Rossendale BC)	(Appointed 23rd June 2011)
Councillor P Steen	(Rossendale BC)	(Retired 23rd June 2011)
Councillor D Smith	(Rossendale BC)	(Retired 23rd June 2011)
Councillor A Kenyon	(Rossendale BC)	(Retired 23rd June 2011)
Councillor M Barron	(Lancashire CC)	(Appointed 21st June 2012)
Mr P M Duncan	(ELLR Co Ltd)	
Mr M Vickers	(ELLR Co Ltd)	
Mr G Vevers	(ELLR Co Ltd)	

Sadly during the year Mr G Vevers and Mr M Vickers passed away

Nomination of Board members

The Articles of Association govern the membership of the Trust and provide each member (Bury Metropolitan Borough Council, Rossendale Borough Council, Rochdale Metropolitan Borough Council and the East Lancashire Light Railway Limited) the right to nominate three members each to the Board of Management

The East Lancashire Railway Trust is a company limited by guarantee and therefore has no share capital

EAST LANCASHIRE RAILWAY TRUST LIMITED COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31st MARCH 2012

OBJECTIVES OF THE EAST LANCASHIRE RAILWAY TRUST LIMITED

The aim of the Trust is to promote the permanent preservation for the benefit of the public generally of the historic railway line from Heywood to Rawtenstall, together with stations, buildings, locomotives and rolling stock

The company also aims to educate the public on technical matters relating to railways, their construction and maintenance, engines, steam tractions and engineering skills and the importance of the railway in the industrial and social history of the towns and villages on the line from Heywood to Rawtenstall

STRUCTURE, GOVERNANCE AND MANAGEMENT

Each of the Trust's local authority partners holds the freehold title to the railway land within their respective local authority boundary. The Trust holds the head lease for the railway and sublets this to the East Lancashire Light Railway Company Limited (ELLR) a further partner on the Trust board of management

ACHIEVEMENTS AND PERFORMANCE

During 2011/2012 the Trust continued to build on its successes of previous years through continued development

During the year Ramsbottom Station Canopy had received a commended award and Bury Transport Museum had been presented with a first place award in the Access Category

The Trust board continues to support the activities of ELLR and has continued to review several areas of potential development. These include Bury Transport Museum, Heywood and Castlecroft station areas, an ELR commuter Line feasibility, and improving walkways linking ELLR Rawtenstall station and the town centre

FINANCIAL REVIEW

The results for the year are set out in the Statement of Financial Activities on page 9. Reports are presented to each meeting of the Trust by the Treasurer regarding the condition of the accounts

EAST LANCASHIRE RAILWAY TRUST LIMITED COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31st MARCH 2012

RESERVES POLICY AND RISK ASSESSMENT

One of the primary aims of the Trust is to maintain the structures on the railway line between Heywood and Rawtenstall to promote the use of the railway for historical and educational purposes. Typical expenditure on any one project is in excess of £100,000 and can be as much as £500,000. For this reason the charity needs to maintain substantial reserves to meet future obligations.

The trustees have examined the requirement for free reserves which are those unrestricted funds not invested in fixed assets, designated for specific purposes or otherwise commuted. Free reserves at 31st March 2012 are £533,357 (2011 £486,391). These consist of the unrestricted general fund and the commuted sum less the value tied up in fixed assets. The trustees consider that, given the nature of future expenditure, the charity should aim to increase its free reserves.

One of the major risks faced by the charity is having insufficient funds to meet future maintenance requirements. To mitigate this risk the Trustees have a rolling programme of annual inspection and assessment of structures, with maintenance being carried out with a view to minimising the need for major repairs. Inspections are carried out by an independent Engineer, whose recommendations are then incorporated into the budget.

To supplement the Charity's funds wherever possible the Trustees actively seek grants from external sources. There is a risk that the Charity may not identify all grants to which it is entitled, but the Trustees make every effort to ensure this is not the case by constantly reviewing available grants before expenditure is undertaken.

INVESTMENT POWERS

Under the memorandum and articles of association, the charity has the power to make any investment which the trustees see fit.

The management committee has considered the most appropriate policy for investing funds. It has decided that lending funds on the money market provides the best return in line with the trusts risk policy and uncertain short term demand.

RESULTS

The results for the year, and the charity's financial position at the end of the year are shown in the attached financial statements.

EAST LANCASHIRE RAILWAY TRUST LIMITED COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31st MARCH 2012

RESPONSIBILITIES OF THE TRUSTEES

The trustees (who are also the directors of East Lancashire Railway Trust Limited for the purposes of company law) are responsible for preparing the Trustees Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company 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 charitable company and the income and expenditure of the charitable company for that period.

In preparing these 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware

- there is no relevant audit information of which the charitable company's auditor is unaware, and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

**EAST LANCASHIRE RAILWAY TRUST LIMITED
COMPANY LIMITED BY GUARANTEE**

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31st MARCH 2012

AUDITOR

A resolution to re-appoint Horsfield & Smith as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985

This report has been prepared in accordance with the Statements of Recommended Practice - Accounting and Reporting by Charities 2005

Registered office
Town Hall
Knowsley Street
Bury
Lancashire
BL9 OSW

Signed on behalf of the trustees

* 

BRIAN DAVIES

Board member

Date 6/12/12

EAST LANCASHIRE RAILWAY TRUST LIMITED COMPANY LIMITED BY GUARANTEE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EAST LANCASHIRE RAILWAY TRUST LIMITED

YEAR ENDED 31st MARCH 2012

We have audited the financial statements of East Lancashire Railway Trust Limited for the year ended 31st March 2012 on pages 9 to 19 The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

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

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the charitable company's affairs as at year ended 31st March 2012 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

**EAST LANCASHIRE RAILWAY TRUST LIMITED
COMPANY LIMITED BY GUARANTEE**



HORSFIELD & SMITH
Chartered Accountants

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
EAST LANCASHIRE RAILWAY TRUST LIMITED (continued)**

YEAR ENDED 31st MARCH 2012

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

PETER G NICOL
(Senior Statutory Auditor)
HORSFIELD & SMITH
Chartered Accountants
& Statutory Auditor

Tower House
269 Walmersley Road
Bury
Lancashire
BL9 6NX

7th December 2012

EAST LANCASHIRE RAILWAY TRUST LIMITED
COMPANY LIMITED BY GUARANTEE

STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31st MARCH 2012

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2012 £	Total Funds 2011 £
INCOMING RESOURCES					
Incoming resources from generating funds					
Contributions to commuted sum	2	30,000	–	30,000	30,000
Investment income	3	9,759	–	9,759	9,144
Rental Income	4	21,716	–	21,716	14,893
Other incoming resources	5	14,057	–	14,057	14,317
TOTAL INCOMING RESOURCES		75,532	–	75,532	68,354
RESOURCES EXPENDED					
Charitable activities	6/7	(46,096)	–	(46,096)	(78,055)
Governance costs	8	(2,510)	–	(2,510)	(2,464)
TOTAL RESOURCES EXPENDED		(48,606)	–	(48,606)	(80,519)
NET INCOMING/(OUTGOING) RESOURCES FOR THE YEAR					
	9	26,926	–	26,926	(12,165)
RECONCILIATION OF FUNDS					
Total funds brought forward		1,146,210	390,427	1,536,637	1,548,802
TOTAL FUNDS CARRIED FORWARD		1,173,136	390,427	1,563,563	1,536,637

The Statement of Financial Activities includes all gains and losses in the year and therefore a statement of total recognised gains and losses has not been prepared

All of the above amounts relate to continuing activities

The notes on pages 12 to 19 form part of these financial statements

EAST LANCASHIRE RAILWAY TRUST LIMITED
COMPANY LIMITED BY GUARANTEE

INCOME AND EXPENDITURE ACCOUNT

YEAR ENDED 31st MARCH 2012

	Note	2012 £	2011 £
INCOME		65,773	59,210
TOTAL EXPENDITURE		(48,606)	(80,519)
OPERATING SURPLUS/(DEFICIENCY)	9	17,167	(21,309)
INVESTMENT INCOME			
Interest receivable and similar income	3	9,759	9,144
RETAINED SURPLUS/(DEFICIT) FOR THE FINANCIAL YEAR		26,926	(12,165)

The Income and Expenditure Account includes all gains and losses in the year and therefore a statement of total recognised gains and losses has not been prepared

All of the above amounts relate to continuing activities

The notes on pages 12 to 19 form part of these financial statements

EAST LANCASHIRE RAILWAY TRUST LIMITED COMPANY LIMITED BY GUARANTEE

BALANCE SHEET

31st MARCH 2012

	Note	2012 £	2011 £
FIXED ASSETS			
Tangible assets	11	640,206	659,819
Investments	12	390,000	390,000
		<u>1,030,206</u>	<u>1,049,819</u>
CURRENT ASSETS			
Debtors	13	87,352	227,675
Investments	14	303,468	316,009
Cash at bank and in hand	15	170,740	13,976
		<u>561,560</u>	<u>557,660</u>
CREDITORS: Amounts falling due within one year	16	<u>(28,203)</u>	<u>(70,842)</u>
NET CURRENT ASSETS		533,357	486,818
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,563,563</u>	<u>1,536,637</u>
FUNDS			
Restricted income funds	17	390,427	390,427
Unrestricted income funds	19	1,173,136	1,146,210
TOTAL FUNDS		<u>1,563,563</u>	<u>1,536,637</u>

These financial statements were approved by the members of the committee on the 6/12/12 and are signed on their behalf by

* *P. Duncan*

Board Member

* *B. Davies*

Board Member

Company Registration Number 1865059

PETER DUNCAN

BRIAN DAVIES

The notes on pages 12 to 19 form part of these financial statements

EAST LANCASHIRE RAILWAY TRUST LIMITED COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st MARCH 2012

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, except for investments which are included at market value, and in accordance with applicable United Kingdom accounting standards, the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005 (SORP 2005) and the Companies Act 2006

Cash flow statement

The trustees have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the charity is small

Listed investments

Listed investments are initially recorded at cost. At each year end, the value is adjusted to bid price on the year end date

Expenditure

Resources expended are accounted for on an accruals basis

Tangible fixed assets

Individual assets costing £1,000 or more are capitalised at cost

Fixed assets

Individual assets costing £1,000 or more are capitalised at cost

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Stations	- 2%
Property at Townsendfold	- 2%
Burrs Railway Bridge	- 2%
Heywood Link Trackworks	- 2%

Grants

Grants are credited to income in the period to which they relate

Investment income

Income from investments is stated at the amount received plus the related tax credits. All investment income is treated as being unrestricted

EAST LANCASHIRE RAILWAY TRUST LIMITED COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st MARCH 2012

1. ACCOUNTING POLICIES *(continued)*

Unrestricted funds

Unrestricted funds are investment income and other income received for the objects of the charity without further specified purpose and are available as general funds

Restricted funds

Restricted funds are to be used for specified purposes as laid down by the donor. Expenditure which meets these criteria is identified to the fund, together with a fair allocation of management and support costs

Governance costs

Governance costs of the charity relate to the cost of running the charity, such as costs of meetings, audit and statutory compliance, and include any costs that cannot be separately identified to another expenditure classification. Other administration costs are borne by Bury Metropolitan Borough Council

Current asset investments

Current asset investments are valued at cost or realisable value at the balance sheet date where this is materially different

Tax

No provision has been made for tax or deferred tax as the Trust is a registered charity. All of the charity's income is applied for charitable purposes and therefore the charity is exempt from corporation tax

2. CONTRIBUTIONS TO COMMUTED SUM

	Unrestricted Funds £	Total Funds 2012 £	Total Funds 2011 £
Income from Participating local authorities			
Contributions to commuted sum	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>

3. INVESTMENT INCOME

	Unrestricted Funds £	Total Funds 2012 £	Total Funds 2011 £
Bank interest receivable	<u>9,759</u>	<u>9,759</u>	<u>9,144</u>

**EAST LANCASHIRE RAILWAY TRUST LIMITED
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st MARCH 2012

4. RENTAL INCOME

	Unrestricted Funds	Total Funds 2012	Total Funds 2011
	£	£	£
Rental income	<u>21,716</u>	<u>21,716</u>	<u>14,893</u>

5. OTHER INCOMING RESOURCES

	Unrestricted Funds	Total Funds 2012	Total Funds 2011
	£	£	£
Re-imbursment of consultancy costs	<u>14,057</u>	<u>14,057</u>	<u>14,317</u>

6. COSTS OF CHARITABLE ACTIVITIES BY FUND TYPE

	Unrestricted Funds	Total Funds 2012	Total Funds 2011
	£	£	£
Direct charitable	<u>46,096</u>	<u>46,096</u>	<u>78,055</u>

7. COSTS OF CHARITABLE ACTIVITIES BY ACTIVITY TYPE

	Activities undertaken directly	Total Funds 2012	Total Funds 2011
	£	£	£
Direct charitable	<u>46,096</u>	<u>46,096</u>	<u>78,055</u>

8. GOVERNANCE COSTS

	Unrestricted Funds	Total Funds 2012	Total Funds 2011
	£	£	£
Audit fees	<u>2,510</u>	<u>2,510</u>	<u>2,464</u>

9. NET INCOMING/(OUTGOING) RESOURCES FOR THE YEAR

This is stated after charging

	2012	2011
	£	£
Depreciation	19,613	19,613
Auditors' remuneration		
- audit of the financial statements	<u>2,510</u>	<u>2,464</u>

EAST LANCASHIRE RAILWAY TRUST LIMITED
COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st MARCH 2012

10. STAFF COSTS AND EMOLUMENTS

No salaries or wages have been paid to employees, including the members of the committee, during the year

11. TANGIBLE FIXED ASSETS

	Freehold property £	Stations £	Bridges £	Trackworks £	Total £
COST					
At 1 April 2011 and 31 March 2012	<u>47,097</u>	<u>636,053</u>	<u>57,836</u>	<u>239,640</u>	<u>980,626</u>
DEPRECIATION					
At 1 April 2011	19,166	213,302	18,027	70,312	320,807
Charge for the year	942	12,721	1,157	4,793	19,613
At 31 March 2012	<u>20,108</u>	<u>226,023</u>	<u>19,184</u>	<u>75,105</u>	<u>340,420</u>
NET BOOK VALUE					
At 31 March 2012	<u>26,989</u>	<u>410,030</u>	<u>38,652</u>	<u>164,535</u>	<u>640,206</u>
At 31 March 2011	<u>27,931</u>	<u>422,751</u>	<u>39,809</u>	<u>169,328</u>	<u>659,819</u>

12. INVESTMENTS

Movement in market value

	2012 £	2011 £
Market value at 1 April 2011	<u>390,000</u>	<u>390,000</u>
Market value at 31 March 2012	<u>390,000</u>	<u>390,000</u>
Historical cost at 31 March 2012	<u>390,000</u>	<u>390,000</u>

Analysis of investments at 31 March 2012 between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2012 £	Total Funds 2011 £
Other investments				
Monies on deposit	<u>-</u>	<u>390,000</u>	<u>390,000</u>	<u>390,000</u>

**EAST LANCASHIRE RAILWAY TRUST LIMITED
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st MARCH 2012

13. DEBTORS

	2012	2011
	£	£
Other debtors	9,167	9,253
Debtor due from East Lancashire Light Railway Ltd	75,627	216,175
Interest receivable	2,558	2,247
	<u>87,352</u>	<u>227,675</u>

The debtors above include the following amounts falling due after more than one year

	2012	2011
	£	£
Debtor due from East Lancashire Light Railway Ltd	<u>56,006</u>	<u>113,412</u>

Included in the above debtor is an amount of £75,627 (2011 - £216,175) due from East Lancashire Light Railway Company Limited, of which £56,006 (2011 - £113,412) is due after more than one year

14. INVESTMENTS

	2012	2011
	£	£
Mones on deposit	303,235	315,522
Listed investments	233	487
	<u>303,468</u>	<u>316,009</u>

15. CASH AT BANK AND IN HAND

	2012	2011
	£	£
Business reserve	156,639	1,620
Cash at bank	14,101	12,356
	<u>170,740</u>	<u>13,976</u>

16. CREDITORS: Amounts falling due within one year

	2012	2011
	£	£
Other creditors	<u>28,203</u>	<u>70,842</u>

EAST LANCASHIRE RAILWAY TRUST LIMITED

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st MARCH 2012

17. RESTRICTED INCOME FUNDS

COMMUTED SUM	Unrestricted	Restricted	Total
Balance brought forward	320,050	390,427	710,477
Transfer between funds	(7,748)	–	(7,748)
Balance carried forward	<u>312,302</u>	<u>390,427</u>	<u>702,729</u>

The commuted sum comprises the derelict land grant fund and transfers from the general fund

The derelict land grant fund represents the amount received in respect of monies to be invested to produce income towards the long term maintenance of major structures on the railway. There are no specific restrictions on the way in which such income should be used, and consequently that income is taken directly to the income and expenditure account. The monies comprising the fund are shown on the balance sheet as fixed assets investments, constituting the full amount of the monies on deposit so treated, and as part of the cash at bank.

18. NON-DERELICT LAND GRANT FUND

	Unrestricted	Restricted	Total
Balance brought forward	250,000	–	250,000
Balance carried forward	<u>250,000</u>	<u>–</u>	<u>250,000</u>

The non-derelict land grant fund represents the amount in respect of capital payments towards expenditure necessary prior to the re-opening of the railway. Both the income and capital of this fund may be used for this purpose.

The analysis of the original make up of the fund is as follows -

	2012		2011
	£	£	£
Greater Manchester Council			
Engineering works	183,000		183,000
Building works	75,000		75,000
Promotion and marketing	34,000		34,000
Balance carried forward		292,000	292,000
Rossendale Borough Council		60,000	60,000
Balance carried forward		352,000	352,000
Previously released to the income and expenditure account		102,000	102,000
Balance carried forward		<u>250,000</u>	<u>250,000</u>

**EAST LANCASHIRE RAILWAY TRUST LIMITED
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st MARCH 2012

19. UNRESTRICTED INCOME FUNDS

	Balance at 1 Apr 2011 £	Incoming resources £	Outgoing resources £	Transfers £	Balance at 31 Mar 2012 £
Commuted sum	320,050	–	–	(7,748)	312,302
Non-derehict land grant fund	250,000	–	–	–	250,000
General Funds	576,160	75,532	(48,606)	7,748	610,834
	<u>1,146,210</u>	<u>75,532</u>	<u>(48,606)</u>	<u>–</u>	<u>1,173,136</u>

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible fixed assets £	Investments £	Net current liabilities £	Total £
Restricted Income Funds:				
Restricted Fund	–	390,000	427	390,427
Unrestricted Income Funds	<u>640,206</u>	<u>303,468</u>	<u>229,462</u>	<u>1,173,136</u>
Total Funds	<u>640,206</u>	<u>693,468</u>	<u>229,889</u>	<u>1,563,563</u>

21. CONTINGENCIES

Last year the board of trustees agreed to underwrite a loan of £176,115 to the East Lancashire Light Railway Limited in respect of the continuing work on the Bury Transport Museum. During the year £141,765 of the loan was fully repaid and the £34,350 available to be called upon was no longer required.

EAST LANCASHIRE RAILWAY TRUST LIMITED COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st MARCH 2012

22. RELATED PARTY TRANSACTIONS

The charity has a very close relationship with the local council authorities that the railway passes through, Bury Metropolitan Borough Council, Rossendale Borough Council and Rochdale Metropolitan Borough Council. Each entity nominates 3 members to the Board of Management.

The charity also has a close relationship with the company which organises all the events on the railway, East Lancashire Light Railway Company Limited, which nominates the remaining 3 members of the Board of Management.

During the year the rental income receivable from ELLR was £21,716 (2011 - £14,893).

Included in Debtors is an amount of £75,627 (2011 - £216,175) due from East Lancashire Light Railway Company Limited.

No interest is receivable on amounts due from East Lancashire Light Railway Company Limited.

Included in Creditors is an amount of £Nil (2011 - £12,287) due to East Lancashire Light Railway Company Limited.

A Contingent Liability of £Nil (2011 - £34,350) has been made in relation to the remaining loan to be called upon by East Lancashire Light Railway in respect of the continuing work on the Bury Transport Museum.

23. COMPANY LIMITED BY GUARANTEE

The company is limited by guarantee and therefore has no share capital.

The guarantors who will each contribute £10 in the event of the company being wound up are as follows -

Bury Metropolitan Borough Council
Rossendale Borough Council
East Lancashire Light Railway Company Limited
Rochdale Metropolitan Borough Council

**EAST LANCASHIRE RAILWAY TRUST LIMITED
COMPANY LIMITED BY GUARANTEE**

MANAGEMENT INFORMATION

YEAR ENDED 31st MARCH 2012

**The following pages do not form part of the statutory financial statements
which are the subject of the independent auditor's report on pages 7 to 8**

**EAST LANCASHIRE RAILWAY TRUST LIMITED
COMPANY LIMITED BY GUARANTEE**

DETAILED STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31st MARCH 2012

	2012 £	2011 £
INCOMING RESOURCES		
CONTRIBUTIONS TO COMMUTED SUM		
Contributions to commuted sum	<u>30,000</u>	<u>30,000</u>
INVESTMENT INCOME		
Bank interest receivable	<u>9,759</u>	<u>9,144</u>
RENTAL INCOME		
Rental income	<u>21,716</u>	<u>14,893</u>
OTHER INCOMING RESOURCES		
Re-imburement of consultancy costs	<u>14,057</u>	<u>14,317</u>
TOTAL INCOMING RESOURCES	<u>75,532</u>	<u>68,354</u>
RESOURCES EXPENDED		
CHARITABLE ACTIVITIES		
Establishment - Repairs & maintenance	11,637	41,803
Establishment - Insurance	371	412
Professional - Legal fees	24	1,845
Legal & professional - Other	14,071	14,332
Depreciation	19,613	19,613
Bank charges	126	50
Amounts written off investments	254	—
	<u>46,096</u>	<u>78,055</u>
GOVERNANCE COSTS		
Audit fees	<u>2,510</u>	<u>2,464</u>
TOTAL RESOURCES EXPENDED	<u>48,606</u>	<u>80,519</u>
NET INCOMING/(OUTGOING) RESOURCES FOR THE YEAR	<u>26,926</u>	<u>(12,165)</u>

**EAST LANCASHIRE RAILWAY TRUST LIMITED
COMPANY LIMITED BY GUARANTEE**

DETAILED STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31st MARCH 2012

	2012 £	2011 £
CHARITABLE ACTIVITIES		
Direct charitable		
<i>Activities undertaken directly</i>		
Establishment - Repairs & maintenance	11,637	41,803
Establishment - Insurance	371	412
Professional - Legal fees	24	1,845
Legal & professional - Other	14,071	14,332
Depreciation	19,613	19,613
Bank charges	126	50
Amounts written off investments	254	–
	<u>46,096</u>	<u>78,055</u>