

Report of the Directors & Trustees
including Unaudited Accounts for the Financial Year 1st April 2018 to 31st March 2019
for Staffordshire Narrow Gauge Railway Ltd trading as Amerton Railway

Amending Accounts : 18/3/2020

Contents	
Company Data	2
Governance & Management Arrangements	3 - 4
Review of the Year & Future Planning	5 - 7
Statement of Directors Responsibilities	8
Independent Examiner's Report	9
Balance Sheet & Profit & Loss Account & Notes	10 - 13



Report of the Directors & Trustees for 2018/2019 Financial Year

Company Data	
Registered Office & Operating Base	Amerton Railway : Stowe-by-Chartley : Staffs : ST18 0LA
Contact Details	www.amertonrailway.co.uk : enquiries@amertonrailway.co.uk 01889 271337
Company Registration	Registered at Cardiff No. 2147443
Charity Registration	Registered in England & Wales No. 1015635
VAT Registration	695 8007 96

Directors & Trustees	
PM Gully : Chairman : From May 2018	
LE Hodgkinson : Company Secretary & Membership	
PM Gully : Director Operations	
J Strike : Director Infrastructure : From October 2018	
SP Bell : Director Engineering : From July 2018	
PJ Calvert : Director Finance & Safety (Safety from August 2018)	
KJ Douglas : Director IT	
Directors stepping down in 2018	
DA Luker : Chairman : Resigned May 2018	
PF Mason : CM&EE & Safety : Resigned July 2018	
MJ Potter : Infrastructure : Resigned August 2018	

Financial Details	
Independent Examiner	K Hays : The Accountsmith : Kern House : Brooms Road Stone ST15 0TL
Banker	HSBC : 8 Market Square : Stafford : ST16 2JP
Banker	Stafford Railway Building Society (SRBS) : 4 Market Square : Stafford : ST16 2JH

Governance & Management

Structure

The company is limited by guarantee without share capital and was incorporated on 15/7/1987 and became a Registered Charity on 18/12/1992. Its operation is governed by Memorandum and Articles of Association. On winding up Members are required to contribute no more than £1. The Company must hold an AGM once every calendar year.

Directors & Trustees

The Company is managed by a Board of Directors elected by the Membership which must comprise a minimum of 4 and maximum of 12 members who are Trustees of the Registered Charity. Board Members may be co-opted by the Board but must stand for election at the next AGM and Directors must stand for re-election every 3 years. Stafford Borough Council is entitled under the 'Isabel Agreement' to appoint 1 Member of the Board (but has not done so). The Chairman is elected by the Board from amongst the Trustees.

Organisational Structure

This is described in the Safety Management System (SMS) and the Operational Staff Group work under the direction of the Board Members with specific responsibilities for areas of service. All Staff are volunteers and operate unpaid except for Honoraria paid to Staff for operating weekday train services in school holidays. These payments were authorised by the Board to facilitate the operation of these services which make a significant revenue contribution.

Risk Management & Financial Control

The Board agrees an Annual Base Budget for each Financial Year that estimates Income & Expenditure, identifies Project Costs and Reserve Balances. The Board meets monthly to review performance against the Budget, analyse variances and limit future spending if income is significantly under planned or costs significantly over. Significant Projects will only be approved via a Project Plan in accordance with the SMS Project Management Procedure, to ensure accurate estimation and control of costs.

Charitable Objective

"To promote and further the education of the public in the history of the Narrow Gauge Railway and General Transport Heritage of the UK with special emphasis on the Staffordshire Area". In planning and managing railway activities the Trustees have regard to how the activities meet the charitable objective.

Principal Activities

- The development and operation of Amerton Railway to provide the public with experience of travelling on a traditional narrow gauge railway and educate visitors about Staffordshire's narrow gauge railway heritage.
- The preservation and restoration of narrow gauge locomotives and rolling stock with particular regard to those with Staffordshire connections particularly WG Bagnall locomotive Isabel, the Railway's 'flagship' locomotive
- Co-operation with other narrow gauge railway operators and the Heritage Railway Association in general promotion of narrow gauge railways to the public
- The charity's operating base is the Amerton Railway, a 17 acre site comprising land and buildings owned by the charity at Stowe-by-Chartley near Stafford. The Railway Main Line is 0.8 mile long with the Railway Works, Running & Carriage Sheds and locomotive yard at Amerton Station.

- The charity owns :
Steam Locomotive : W G Bagnall "Isabel" jointly owned with Stafford Borough Council.
Steam Locomotive : W G Bagnall "No. 1" in un- restored condition
Diesel Locomotives Baguley-Drewry "A10" Baguley "Golspie" and Hunslet "Gordon"
A range of passenger & freight stock and engineering plant
- The charity has custody of
Kerr Stuart Wren "Lorna Doone" on long term loan from Birmingham Science Museum
- Various privately owned locomotives and stock (Some owned by Trustees : See Notes to the Financial Statements) are located at the Railway. These are subject to Operating Agreements, with the Charity paying maintenance costs but no fees to the owners.

Review of the 2018/2019 Year

Operations

The Railway operated between late March and early November on Saturdays, Sundays and Bank Holidays and 7 days a week during School holidays. Saturday and Weekday services are generally diesel operated and Sundays and Bank Holidays steam operated. A number of school trips were operated in December in the run up to Christmas

Special Events :

Steam Gala : June : This was delivered very successfully but unfortunately with reduced revenue compared to 2017.

Everything Goes Gala : September : This was operated instead of a Diesel Gala and was very popular and avoided transport costs by using the 'home' loco fleet. .

Santa Specials : These were delivered very successfully with increased revenue and profit. The Railway decided to change the longstanding arrangement to source presents and Booking System from Amerton Farm and delivered Santa Specials wholly from its' own resources. .

Conservation : Restoration : Maintenance

Operational Fleet : Gordon maintained diesel passenger services but with Isabel & Jennie out of service for 10 Year Boiler Examinations steam services used Phil Mason's Kerr Stuart loco 'Diana' and a short term visitor Quarry Hunslett 'Cloister' courtesy of Hampshire Narrow Gauge Railway Trust.

10 Year Boiler Examinations : Jennie & Isabel : Both were stripped down for physical & NDT weld examination and were re-tubed. Isabel returned to service for Santas' in December but Jennie will not return to traffic until mid 2019.

Lorna Doone : Following a lot of work in the 1st quarter of the year Lorna Doone steamed for the first time in preservation at the Steam Gala. An official Return to Steam event was held on 29th September and she was 're-dedicated' by representative of Birmingham City Museum with a bottle of Staffordshire beer.

Coach 3 : A review of the bogie and chassis design led to considerable additional work but Coach 3 was available for the steam gala but an Independent Competent person assessment will be required before its' general use in traffic in 2019.

Private Projects : Restoration of the Henschell Feldbahn, Ruston Yard 70 and Hibberd locos has been progressed by the owning groups during the year

Infrastructure

Chartley Halt : The original short platform was in a wet area with poor visibility for approaching trains on a curve. Moving the Halt to the outside track of the Chartley Road Loop puts it in a drier location and during the year a new Halt platform was built capable of holding a full train.

Chartley Picnic Area : A Picnic Area is to be established in the triangle of land behind the original platform and this was fenced off and a path to Chartley halt created. The area will include picnic benches and a display of a mock Diana loco cab 'hauling' a rake of timber trollies. The Picnic area will open at Easter Bank Holiday weekend 2019 and all trains will stop at the Halt.

Signal Box : Following re-roofing internal fit out of the Box continued with a view to it controlling the Amerton station area in late 2019.

Fencing : The Station to Field fence was replaced and the fencing continued down the mainline to the end of the Yard Headshunt. This allows shunting the Yard without opening the gates and is operationally more effective.

Safety Management

The Railway continued the development of its' Safety Management System (SMS) to keep up with changing requirements. A Full System 3 Year Review was carried out which has generated some detailed improvements but concluded that the System was still 'Fit for Purpose'. Changes to Board Membership required re-allocation of responsibilities between Directors and the Safety Management lead was added to the Finance Director role.

Communication

The Railway has set up a discussion group sngr@groups.io for Board Communications, the Operational Staff Group email News & updates from Monday Evening & Wednesday Daytime & Evening Working Groups to keep everyone up to speed with developments.

Financial Management

The Railway maintains a Minimum Reserve £25 000 to cover identified and potential risks. The Board reviews income and expenditure on a monthly basis to ensure the right level of cover is maintained.

Revenue Position 2017/18

	2017/18	2018/19	Change	
Service Trains	31 380	21 130	67%	Weekdays/Weekends/BHs
Trading Sales	36 430	28 820	79%	Service Trains And Events/Charters/Goods Sales/Dons
Santas	12 110	23 709	196%	2017 Income Subject to £3.8K Farm Profit Share
Total Sales	58 974	56 346	95%	All Sales

Trading & Total Sales in 2017 excludes £5050 Insurance Payment for Bridge 2 works which was supra normal

The Railway has seen a drop in passenger numbers and revenue for the 3rd successive year but improved performance by Santa Specials reduced the overall revenue reduction. The Board have identified the Picnic Area, increased Events and better promotion as key measures to check revenue reduction in 2019/20.

People

Derek Luker, Pete Mason & Mike Potter all long standing Directors retired from the Board during 2018. The Board recognise their hard work and achievements and thank them for their commitment. Gareth Hughes our Independent Examiner for the last 2 years has retired and we wish to thank Gareth for his advice on improving our accounting processes.

Planning for the Future

The Chairman made a presentation to the 2018 AGM entitled Planning for the Future identifying short to medium term development objectives.

Development Projects : 2018 to 2028

2018

Complete new Chartley Halt & Picnic Area : Launch Easter Sunday 2019

Signalling Scheme : Develop, complete and commission : **Moves to 2019/20**

Tidy the Site : Improving appearance for customers : Started Autumn 2018

2018 Onwards

Industrial Railway Development : New line Amerton Station to Stump Junction

- Install turnout into Amerton Station Loop winter 2018/2019 : **Moves to 2019/20**
- Groundworks and lay railway during 2019 running season
- Apply for planning permission for Stock Storage Building early 2019 and build as soon as practicable

Heritage Walk : Develop a walk from the Picnic area back to Amerton Station

- Display items in the Picnic Area : Venables Wagons/KS Diana 'mock up'
- Restore and use 'Harry Farmers' Shop building
- Interpretation boards to explain items/exhibits along the walk
- Meets our charitable objective of educating the public
- May be possible to fund in house, but would also be an ideal candidate for HLF Sharing Heritage scheme
- Aim to open mid 2020

Golspie Restoration: Full restoration of well known ex Trentham Gardens locomotive

- Assessment & applications for funding
- Aim to secure funding by 2021 and complete in 2023

Amerton Station Development : Redevelop the Station Area

- Apply for funding after Golspie is completed in 2023, aim to complete by 2028
- Align Chartley building with platform improving station feel and provide covered waiting
- Build a Museum & Improved facilities including public toilets
- Built two story with upper level for volunteer facilities but could also be rented as conference facilities or educational visits
- Cosmetically restore Bagnall No.1 as an exhibit, as a pre-cursor to full working restoration
- Funding from HLF 'Heritage Grants Scheme'

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2019

I report on the accounts of the company for the year ended 31st March 2019 which are set out on pages 10 to 14.

Respective responsibilities of Trustees and Examiner

The Trustees (who are also the directors of the company for the purposes of company law) 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;
- follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- 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 which gives me reasonable cause to believe that, in any material respect, the requirements:

- to keep accounting records in accordance with section 386 of the Companies Act 2006; and
- to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities

have not been met or to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



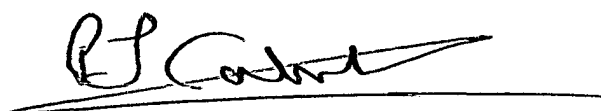
Karen Hays Independent Examiner 30/5/2019

BALANCE SHEET 31/3/2019		
Total Fixed Assets (7000)	2017/18	2018/19
	318 195	316 908
Current Assets		
Cash at Bank & In Hand (6100) : Unrestricted	47 483	41 093
Cash at Bank & In Hand (6100) : Restricted : Henschell Fund	30 669	30 715
Accounts Receivable (1101)	1465	3
Undeposited Funds (1201)	655	0
Stock (6200)	1815	4546
Current Liabilities		
Accounts Payable (1301)	-345	- 147
VAT Liability	50	-800
HSBC Mortgage (8000) : Due in One Year	4416	4137
HSBC Mortgage (8000) : Due in more than One Year	48061	43 836
Total Mortgage Liability (8000)	52 477	47 973
Members Loans (8100) : Due in One Year	4025	4025
Members Loans (8100) : Due in more than One Year	14 000	9975
Total Members Loans Liability (8100)	18 025	14000
Total Current Liabilities	70 207	61 174
Net Current Assets	11 226	15 330
Total Assets less Current Liabilities	329 421	332 238
Total Net Assets	329 421	332 238
Capital & Reserves		
Capital Account (3001)	207 864	207 864
Equity (3201)	103 869	121 517
Profit 2017/18	19 742	2856
Total Funds	331 475	332 238

For the Financial Year 2018/19 the company was entitled to exemption under S477 of the Companies Act 2006 relating to small companies and no member has required the company to obtain an audit of its' accounts in accordance with Section 476 of the Companies Act 2006. The Directors & Trustees consider that an audit is not required for this year under Section 144(2) of the Charities Act 2011 and that an Independent Examination is sufficient.

This Directors acknowledge their responsibility for complying with the Companies Act 2006 with respect to Accounting Records and Preparation of Accounts and the Accounts have been prepared in accordance with provisions applicable to companies subject to the small companies regime.

It was approved by the Board of Directors and signed on its behalf by:



Peter Calvert Finance Director & Trustee 30/5/2019
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Notes to Balance Sheet

Tangible Fixed Assets & Depreciation

The purchase or gift of Fixed Assets are capitalised and included in the balance sheet.

Annual Depreciation rates write off assets over their estimated useful life.

- **Freehold Land** : Not Depreciated
- **Buildings & Workshop** : 10% Straight line
- **Plant and Machinery etc** : 6.75% Straight line
- **Bagnall Isabel & Rolling Stock** : 5% Straight line
- **Civil Works & Permanent Way** : 5% Straight line

1. Capital Purchases are capitalised at purchase date
2. Costs of Renovation Works are capitalised & depreciated in the Year expenditure is made
3. The Profit figure is determined by Income less Expenditure but Capital Purchasers are not included in the Expenditure figure

PROFIT & LOSS ACCOUNT 31/03/2019		
Income : Passenger Sales (1000)	2017/18	2018/19
General Ticket Sales (1100)	37 536	26 010
Santa Specials	12 110	23 759
Goods Sales (1200)	3414	2690
Subscriptions (1300)	1435	1427
Interest SNGR (1510)	69	55
Land Income (1600)	819	1244
Donations Grants etc (1800) : Donations	1124	1287
Insurance Payment Bridge 2 (1800)	5050	
Land Covenants (Restricted) (1831)	180	70
Interest Henschell Fund (Restricted) (1920)	56	46
Miscellaneous Income		194
Total Income	61 793	56 782
Cost of Goods Sold : Stock (6300)	139	2731
Gross Profit	61 653	59 512
Expenses	2017/18	2018/19
Operations & Maintenance (2000)	10 815	22 309
Infrastructure & Engineering (3000)	4 992	4230
Finance & Management (4000)	16 105	15 548
Mortgage Interest Payments (4800)	3 018	2930
Total	34 930	45 017
Depreciation (5500)	10 886	10 955
Reconciliation Discrepancies (6690)	68	682
Restricted Funds : Henschell Fund (5000)	314	0
Total Expenses	46 198	56 656
Profit 2017/18	19 742	2856

Notes to Profit & Loss Account

Income Notes : 2017/18

Income Notes : General

- Income is shown net of VAT.
- Sale of Goods is shown under Income and costs shown in Cost of Goods Sold.
- Grant income is not recognised until any conditions for receipt have been complied with. Grants received for specific purposes set out by the grant provider are treated as Restricted Funds.

Expenses Notes :2017/18

- The Profit figure is determined by Income less Expenditure but Capital Purchasers are not included in the Expenditure figure
- **O&M (2000)** : Costs are increased as Santa Special Costs in 2017/18 were offset against Sales in Amerton Farm Joint Arrangements and Net Income after subtraction of costs paid by Amerton Farm (Presents & Admin & Card Fees) was recorded. Full Santa Special Costs appear directly in the 2018/19 figure.
- **Capitalisation**
- O&M (2000) : £1519 : Isabel 10 Year Overhaul
- I&E (3000) : £5551 Chartley Halt & Signalling Works
- I&E (3000) : £2198 Fencing
- **Total : £9268**

Expenses Notes : General

- Expenditure is accounted for on an Accruals basis and is classified under category headings.
- *Operations & Maintenance* : The costs of running the Railway and the purchase and maintenance & restoration of Rolling Stock
- *Infrastructure & Engineering* : Costs of Building, Permanent Way and Plant purchase and maintenance
- *Finance & Management* : The Costs of mortgage & loan repayments and the governance, promotion and utility costs of operating the Railway

Mortgage Interest : Land Covenants of £70 are insufficient to cover Mortgage Interest payments of £2930 so £2 860 of General Funds have been applied to Mortgage Interest.

Taxation : No corporation tax liability arises in respect of the year since the Company has been accepted as a charity within section 467 Corporation and Income Taxes Act 2010. The exemptions afforded by section 466(2) are available as all income and gains are applied to charitable purposes.

Fund Accounting : Unrestricted Funds can be used in accordance with the charitable objectives at the discretion of the Directors/Trustees to further the objects of the charity. Restricted Funds

can only be used for particular restricted purposes within the objects of the charity where restrictions are specified by the donor or when funds are raised for restricted purposes.

Stocks: Stock : Goods for Resale and fuel has been valued the lower of cost and net realisable value.

General Notes

Accounting convention : The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standards for Smaller Entities (effective April 2008), the Companies Act 2006 and the requirements of the Accounting and Reporting by Charities; Statement of Recommended Practice (SORP), issued in 2005.

Going concern : The Trustees believe that there are no material uncertainties that may cast significant doubt on the ability of the company to continue as a going concern and therefore the going concern basis remains appropriate in the preparation of the Financial Statements.

Donated Assets & Services : The company has the use of Rolling Stock owned by third parties which are not capitalised in the Balance Sheet and the benefit to the company has not been included in the Profit & Loss Account. Donated services are included in the Profit & Loss Account Intangible Income and an equivalent amount of expenditure.

Trustee Benefits

Payments for Services : Honoraria: Honoraria (2610) of £460/£160 were paid to 2 Members who are related to Trustees. The Honoraria are payments for operating the Ticket Office during school holiday weekday services and were agreed with the Charity Commission in July 2007.

Payments for Services : £180 was paid to KJ Douglas as a Website Hosting Fee to cover the costs of providing that service to the Railway at less than a commercial rate.

Restricted Fund

The Henschel Fund holds funds donated under the Charities Aid scheme to restore a Feldbahn locomotive owned by Trustees J Strike & SP Bell and 2 Members. The Railway will have a number of years use of the locomotive free of charge once restored. During the year Expenditure was £0 and Income was £46.00 (Account Interest)

Trustees Rolling Stock Provided to the Railway Free of Charge

Trustee	Locomotive
L E Hodgkinson	Baguley Diesel Locomotive : <i>Dreadnought</i> Ruston LBT Littleton Diesel Locomotive <i>Fauld Wagon</i>
J Strike	Motorail Diesel Locomotive <i>Ruston 48DM Diesel Locomotive : Henschel "Feldbahn" Locomotive</i> <i>Jung Diesel Locomotive : Easttriggs Riding Van</i>
K J Douglas	<i>Hibberd Diesel Locomotive</i>
S P Bell	Deutz Diesel Locomotive <i>Henschel "Feldbahn" Locomotive : Jung Diesel Locomotive</i>

The stock owned by J Strike, K J Douglas and S P Bell are jointly owned with other Members of the Company. *Stock shown in Italics is not currently operational*

Members Loans

In 2012 the Company received Members Loans to contribute towards the purchase of the freehold land upon which the railway operates. These loans are interest free and repayable over 10 years with repayments commencing in January 2013. The balances outstanding at 31st March 2019 in respect of the Trustees are as follows:

Trustee & Connected Person Loans	2018 £	2019 £
L E & J Hodgkinson	5600	4200
J Strike	2000	1500
Total	7600	5700

SHARE CAPITAL

The company is Limited by Guarantee and does not have a share capital. The liability of the members is limited to £1 each. .

CONTROLLING PARTY

In the opinion of the Trustees as each Member has one vote there is no Controlling Party and the Company is managed by the Board of Directors as a collective body.