

# **ANNUAL REPORT 2019/2020**

**Report of the Directors & Trustees**  
**including Unaudited Accounts for the Financial Year 1<sup>st</sup> April 2019 to 31<sup>st</sup> March 2020**  
**for Staffordshire Narrow Gauge Railway Ltd trading as Amerton Railway**

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## Report of the Directors & Trustees for 2019/2020 Financial Year

<b>Company Data</b>	
<b>Registered Office &amp; Operating Base</b>	Amerton Railway : Stowe-by-Chartley : Staffs : ST18 0LA
<b>Contact Details</b>	<a href="http://www.amertonrailway.co.uk">www.amertonrailway.co.uk</a> : <a href="mailto:enquiries@amertonrailway.co.uk">enquiries@amertonrailway.co.uk</a> 01889 271337
<b>Company Registration</b>	Registered at Cardiff No. 2147443
<b>Charity Registration</b>	Registered in England & Wales No. 1015635
<b>VAT Registration</b>	695 8007 96

<b>Directors &amp; Trustees</b>
PM Gully : Chairman
LE Hodgkinson : Company Secretary & Membership
PM Gully : Director Operations
J Strike : Gazette Editor (Director Infrastructure to February 2020)
SP Bell : Director Engineering
PJ Calvert : Director Finance & Safety
KJ Douglas : Director IT

<b>Financial Details</b>	
<b>Independent Examiner</b>	K Hays : The Accountsmith : Kern House : Brooms Road Stone ST15 0TL
<b>Banker</b>	HSBC : 8 Market Square : Stafford : ST16 2JP
<b>Banker</b>	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 Company 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 2019/2020 Year**

## **Operations & Events**

The Railway operated between late March and early November on Saturdays, Sundays and Bank Holidays and 6 days a week during School holidays. Saturday and Weekday services are generally diesel operated and Sundays and Bank Holidays steam operated. A number of charter trains were operated during the year. A Steam Gala, Everything Goes Gala and Santa Specials were delivered very successfully with increased revenue.

## **Conservation : Restoration : Maintenance**

**Operational Fleet** : 10 Year Boiler Examinations and associated works were completed on Isabel and Jennie and they operated steam services with Kerr Stuart locos Diana and Lorna Doone

**Coach 3** : Following an Independent Competent Person assessment in 2019 further work will be required before its' general use in traffic in 2020.

**Brake Van 4** : Completely rewired to allowed battery operated LED lighting for Santas and dispense with petrol generator reducing operational and safety issues

**Private Projects** : Restoration of the Henschell Feldbahn , and Hibberd locos has been progressed by the owning groups during the year. Ruston Yard 70 returned to traffic in 2019.

## **Infrastructure**

**Chartley Halt & Picnic Area** : A new Station was constructed adjacent to Chartley Road Loop capable of holding a full train and replaced a short life expired wooden platform. A Picnic Area was established in the triangle of land behind the original platform with a path from Chartley Halt. The Picnic Area opened at Easter Bank Holiday weekend 2019 and all trains now stop at the Halt. The Amerton Station Area and Headshunt was re-fenced to limit sheep ingress and improve shunting capability.

**Signal Box** : Slow progress with commissioning the frame due to difficulty in obtaining components to connect it to point work and signalling. A very generous grant of £2000 to progress this work was made by HNGRT (Hampshire Narrow Gauge Railway Trust) who were distributing reserves on their dissolution as a charity.

**Land Drainage** : Significant works were done to reduce water logging across the site and divert water into the pond to stop it drying out in summer. Silt was removed from the pond and distributed to fill depressions in various areas across the railway land.

## **Safety Management**

The Railway continued the development of its' Safety Management System (SMS) to keep up with changing requirements including consideration of outcomes to a Full System 3 Year Review. Recruitment of Under 16 Volunteers has led to an increased focus on Safeguarding requirements.

## **Communication**

The Railway information and discussion group [sngr@groups.io](mailto:sngr@groups.io) was used for Board Communications, updates from 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 2019/20**

	<b>2018/19</b>	<b>2019/20</b>	<b>Change</b>	
Service Trains	21 130	19 401	£1729 minus	Weekdays/Weekends/BHs
Trading Sales	28 820	28 897	£77 plus	Service Trains <b>and</b> Events/Charters/Goods Sales/Donations
Santas	23 709	26 846	£3137 plus	
<b>Total Sales</b>	<b>56 346</b>	<b>62 205</b>	<b>£5859 plus</b>	<b>All Sales</b>

The Railway saw a drop in passenger numbers and revenue for the years 2016/17 to 2018/19 but this decline ceased in 2019/20 in part due to further improved performance by Santa Specials. The Board are prioritising promoting the Picnic Area, increased Events and Santa Specials as key measures to start to build revenue growth in 2020/21.

## **People**

**Volunteer Recruitment** : The Railway held a very successful Volunteer Recruitment Day in July 2019 leading to a number of new Members joining the railway and entering our Training Programme for Operational Staff. This is important for the Railway's future as a Workforce Profile indicates a significant proportion of Operational Staff will be over 65 by 2025. Karen Hays of The Accountsmith was appointed as our Independent Examiner. David Jones a member of our Ticket Office Team sadly passed away in January 2020.

## **Planning for the Future**

The Chairman's 2019 AGM Planning for the Future Objectives were :

### **Reliability of Service/Reduce Cancellations**

- Volunteer Recruitment Day has generated new operational staff trainees
- Training Manuals developed for a number of roles
- New Assessment Process developed and implemented

### **Improving Customer Experience/Promoting the Railway**

- The New Chartley Halt and Picnic Area opened at Easter and saw increased use throughout Summer 2019 : Restoration of Timber trollies for display started
- Create Nature Walk from Chartley to Amerton : First Stage of Pond Dredging, improvement of drainage and filing of low areas of ground completed.
- Amerton Station improvements continued and Teddy Bear Days commenced on school; holiday weekdays
- 2020 Timetable was produced in November and given to all Santa Passengers and distributed and Stafford Model RailEx in February
- Isabel & Friends Days : To be delivered in 2020

- Signal Box Commissioning : Deferred to 2020 but worked commenced on locking in February. Lack of second hand components available to purchase has been an issue
- Coach 3 : Commissioning deferred to 2020 due to Land Drainage Works and Locomotive Engineering Priorities

### **Covid 19 Situation 2020**

Following Government Advice (23/3/20) for leisure businesses to close to avoid contacts between people and seek to limit the spread of the virus the Railway Board decided to suspend the 2020 service from 4/4/20. A 'Covid 19 Lockdown Budget' was developed and agreed by the Board that estimates a minimum spend for 2020/21 of roughly £22 500 and assumes no income.

With a Cash Balance of £52 000 at the end of March this allows the Railway to 'sit out' 2020 if required. The Finance Director will do finance updates and the Board will review the Railways' financial position monthly. Stafford Borough Council confirmed on 27<sup>th</sup> March that the Railway was eligible for a Government funded Small Business Grant of £10 000 to support leisure businesses forced to close because of Government Guidance and we applied on 30/3/2020.

### **Development Projects : 2020 to 2028 : All Subject to Covid 19 Impacts**

**2020** : Signalling Scheme : Develop, complete and commission : ***Completion Autumn 2020***

### **2020 Onwards**

***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 2021

***Industrial Railway Development*** : New line Amerton Station to Stump Junction

- Install turnout into Amerton Station Loop winter 2020/21
- Groundworks and lay railway during 2021 running season
- Apply for planning permission for Stock Storage Building early 2021 and build as soon as practicable

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

- Assessment & applications for funding
- Aim to secure funding by 2022 and complete in 2024

***Amerton Station Development*** : Subject to successful HLF Funding bid

- Apply for funding after Golspie is completed in 2024, 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

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES**  
**FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020**

I report on the accounts of the company for the year ended 31<sup>st</sup> March 2020 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 11/9/2020
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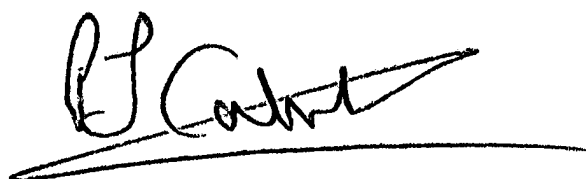


<b>BALANCE SHEET 31/3/2020</b>		
<b>Total Fixed Assets (7000)</b>	<b>2018/19</b>	<b>2019/20</b>
	316 908	308 149
<b>Current Assets</b>		
Cash at Bank & In Hand (6100) : <i>Unrestricted</i>	41 093	52 222
Cash at Bank & In Hand (6100) : <i>Restricted : Henschell Fund</i>	30 715	30 801
Accounts Receivable (1101)	3	0
Undeposited Funds (1201)	0	0
Stock (6200)	4546	2056
<b>Current Liabilities</b>		
Accounts Payable (1301)	- 147	-61.38
VAT Liability	-800	- 444
HSBC Mortgage (8000) : Due in One Year	4137	4788
HSBC Mortgage (8000) : Due in more than One Year	43 836	38 399
<b>Total Mortgage Liability (8000)</b>	47 973	43 187
Members Loans (8100) : Due in One Year	4025	4025
Members Loans (8100) : Due in more than One Year	9975	5950
<b>Total Members Loans Liability (8100)</b>	14000	9975
<b>Total Current Liabilities</b>	<b>61 174</b>	<b>52 717</b>
Net Current Assets	15 330	32 421
Total Assets less Current Liabilities	332 238	340 571
<b>Total Net Assets</b>	<b>332 238</b>	<b>340 571</b>
<b>Funds</b>		
Profit	2856	8333
<b>Total Funds</b>	<b>332 238</b>	<b>340 571</b>

For the Financial Year 2019/20 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 11/9/2020
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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 Purchases are not included in the Expenditure figure

<b>PROFIT &amp; LOSS ACCOUNT 31/03/2020</b>		
<b>Income : Passenger Sales (1000)</b>	<b>2018/19</b>	<b>2019/20</b>
General Ticket Sales (1100)	26 010	24 936
Santa Specials	23 759	26 846
Goods Sales (1200)	2690	3443
Subscriptions (1300)	1427	1386
Interest (1510)	55	95
Land Income (1600)	1244	1046
Donations Grants etc (1800) : Donations	1287	1097
Grant from HNGRT for Signalling Works		2000
Land Covenants (Restricted) (1831)	70	60
Interest Henschell Fund (Restricted) (1920)	46	85
Misc Income	194	1211
<b>Total Income</b>	<b>56 782</b>	<b>62 205</b>
Cost of Goods Sold : Stock (6300)	2731	2490
<b>Gross Profit</b>	<b>59 512</b>	<b>59 715</b>
<b>Expenses</b>	<b>2018/19</b>	<b>2019/20</b>
Operations & Maintenance (2000)	22 309	16 207
Infrastructure & Engineering (3000)	4230	3254
Finance & Management (4000)	15 548	18 576
Mortgage Interest Payments (4800)	2930	2716
<b>Total</b>	<b>45 017</b>	<b>40 752</b>
Depreciation (5500)	10 955	10 391
Reconciliation Discrepancies (6690)	682	240
Restricted Funds : Henschell Fund (5000)	0	0
<b>Total Expenses</b>	<b>56 656</b>	<b>51 382</b>
<b>Profit</b>	<b>2856</b>	<b>8332</b>

## **Notes to Profit & Loss Account**

### **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.
- **Misc Income** : Includes high level of Supplier Refunds

### **Expenses Notes**

- The Profit figure is determined by Income less Expenditure but Capital Purchases are not included in the Expenditure figure
- **Capitalisation**
- Buildings (3000) : £1048 (Chartley Halt Signage & Waste Bins)
- Plant & Machinery (3000) : £585 : Ride On Mower/Weedkilling Kit/Office PC
- **Total : £1633**

### **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 £60 are insufficient to cover Mortgage Interest payments of £2716 so £2656 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 £440/£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 £85.00 (Account Interest)

#### **Trustees Rolling Stock Provided to the Railway Free of Charge**

<b>Trustee</b>	<b>Locomotive</b>
PM Gully	Hunslet 'Wren' Jennie is owned by a connected person and managed at the Railway by PM Gully
L E Hodgkinson	<i>Baguley Diesel Locomotives : Dreadnought &amp; Hesperus</i> Ruston LBT Littleton Diesel Locomotive <i>Fauld Wagon</i>
J Strike	Motorail Diesel Locomotive : Ruston 48DM Diesel Locomotive <i>Henschel "Feldbahn" Locomotive : Jung Diesel Locomotive : Eastriggs 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 31<sup>st</sup> March 2020 in respect of the Trustees are as follows:

<b>Trustee &amp; Connected Person Loans</b>	<b>2019 £</b>	<b>2020 £</b>
L E & J Hodgkinson	4200	2800
J Strike	1500	1000
<b>Total</b>	<b>5700</b>	<b>3800</b>

### **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.