

**Registered number: 01007871**  
**Charity number: 262481**

**The Kent and East Sussex Railway Company Limited**  
**(A company limited by guarantee)**

**Trustees' report and financial statements**  
**for the year ended 31 October 2021**

**The Kent and East Sussex Railway Company Limited**  
**(A company limited by guarantee)**

**Financial Headlines**  
**31 October 2021**

- The Company's consolidated income for the year ended 31st October 2021 was £2,053,086 compared with £1,750,167 in 2020.
- The Company recorded a net consolidated surplus of £539,317 in 2021 compared with a surplus of £55,017 in 2020 (page 44).
- Colonel Stephens Railway Enterprises Ltd, the wholly owned trading subsidiary, which includes all the commercial activities, achieved sales of £364,645 compared with £173,843 in the previous year and a profit of £22,285 compared with a loss of £75,366 in 2020 (page 48).
- The total net cash in the balance sheet at the year-end was £764,150 compared with £76,082 in 2020 (see below).
- Total visitor numbers during the year increased by 20.3% (see below). This was due to the national lockdown imposed as a result of COVID-19 in the previous year that resulted in lower numbers than usual.

**6-Year Net Cash and Debt Profile (year end)**

	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
CAF Bank Loan	(300,518)	(339,936)	(357,008)	(390,890)	(424,141)	(456,788)
Other Loans	(55,012)	(79,000)	(34,000)	-	-	-
Total Capital	<u>(355,530)</u>	<u>(418,936)</u>	<u>(391,008)</u>	<u>(390,890)</u>	<u>(424,141)</u>	<u>(456,788)</u>
Cash at Bank and In Hand	<u>1,119,680</u>	<u>495,018</u>	<u>661,831</u>	<u>597,968</u>	<u>793,063</u>	<u>490,833</u>
Total Net Cash / (Debt)	<b><u>764,150</u></b>	<b><u>76,082</u></b>	<b><u>270,823</u></b>	<b><u>207,078</u></b>	<b><u>368,922</u></b>	<b><u>34,045</u></b>

The figures for cash include Advance Bookings.

**Visitor Numbers**

	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Service Trains / Admissions	35,210	30,362	83,907	77,491	85,270	76,670
Pullman Dining Trains	2,087	647	3,085	3,404	3,091	3,617
	<u>37,297</u>	<u>31,009</u>	<u>86,992</u>	<u>80,895</u>	<u>88,361</u>	<u>80,287</u>

Platform Tickets = 735 in 2021 (2020: Nil)

**The Kent and East Sussex Railway Company Limited**  
**(A company limited by guarantee)**

**Contents**

	<b>Page</b>
<b>Reference and administrative details of the Charity, its Trustees and Advisers</b>	1
<b>Trustees' report</b>	2 - 6
<b>Independent auditor's report on the financial statements</b>	7 - 11
<b>Consolidated statement of financial activities</b>	12
<b>Consolidated balance sheet</b>	13
<b>Company balance sheet</b>	14
<b>Consolidated statement of cash flows</b>	15
<b>Notes to the financial statements</b>	16 - 44
 The following pages do not form part of the statutory financial statements:	
<b>Appendix I - Consolidated detailed Income and Expenditure Account</b>	45
<b>Appendix II - Detailed Income and Expenditure Account</b>	46
<b>Appendix III - Schedule to the detailed Income and Expenditure Account</b>	47
<b>Appendix IV - Colonel Stephens Railway Enterprises Limited Accounts</b>	48 - 49

**The Kent and East Sussex Railway Company Limited**  
**(A company limited by guarantee)**

**Reference and administrative details of the Charity, its Trustees and Advisers**  
**for the year ended 31 October 2021**

**Constitution**

The Kent and East Sussex Railway Company Limited is a company limited by guarantee and a registered charity. Charity Number: 262481. Company Number 01007871.

**Directors and Trustees**

The Directors of the Charitable Company ('the Charity') are its Trustees for the purposes of charity law and throughout this report are collectively referred to as the Trustees.

The Trustees serving during the year and at the date of this report were as follows:

S A Marsh 1	Chairman
G A Crouch 1	Finance Director
I C Legg 1	
M J Hyner	
D J Nibloe	
P D Shaw 1	
N D Sime	
P E Vidler	
R M White	

1 also directors of Colonel Stephens Railway Enterprises Limited at the date of this report

**Registered office**

Tenterden Town Station, Station Road, Tenterden, Kent, TN30 6HE

**Company Secretary and Assistant Company Secretary**

C H Mavor (resigned 30 November 2021)  
J Cobbett (appointed 29 January 2022) and R Styles

**Senior management team**

S Dewey (General Manager), A Freeman (Commercial Manager), H Douglas (Marketing Manager), P Salmon (Operations Manager), P Blythe (Carriage & Wagon Delivery Manager), D Brenchley (Locomotive Delivery Manager), B Richards (Infrastructure Manager), M Gooch (Pullman Manager), M deCol (Accountant)

**Independent auditor**

Kreston Reeves LLP, Chartered Accountants, Statutory Auditor, Montague Place, Quayside, Chatham Maritime, Chatham, Kent, ME4 4QU

**Bankers**

CAF Bank Limited, PO Box 289, West Malling, Kent, ME19 4TA  
National Westminster Bank plc, 58 High Street, Tenterden, Kent, TN30 6AX

**Solicitors**

Rix & Kay LLP, The Courtyard, River Way, Uckfield, East Sussex, TN22 1SL

**The Kent and East Sussex Railway Company Limited**  
**(A company limited by guarantee)**

**Trustees' report**  
**For the year ended 31 October 2021**

The Trustees are pleased to present their report together with the financial statements of the Charity for the year ended 31 October 2021. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' (FRS 102) in preparing the annual report and financial statements of the Charitable Company.

Legal and administrative information set out on pages 1 and 2 forms part of this report. The financial statements comply with Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and 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 2019).

**Our purposes and activities**

The purposes of the Charity are to preserve, restore and operate the whole or parts of the railway from Tenterden in Kent to Robertsbridge in Sussex (known as The Kent & East Sussex Railway) as a permanent public exhibition and museum, which includes the preservation, display and operation of steam and other locomotives, rolling stock, equipment, and other relics. The Charity thereby aims to contribute to technical, historical, and general education concerning the operation of a rural light railway.

The Trustees consider that the Charity's objectives are for the public benefit and that its activities, achievements, and performance are consistent with its objectives having regard to Charity Commission guidance, including the guidance "Public Benefit: running a charity (PB2)".

To achieve its objects the Charity: -

- operates a heritage railway service with authentic locomotives and rolling stock.
- acquires, preserves, and restores steam and other locomotives, rolling stock and relics of historical, operational, educational, and general interest.
- maintains, improves, and develops the railway and the land, works and buildings relating thereto.
- encourages and promotes the interest, support, and participation of young people in the railway by establishing and maintaining contacts with schools, universities etc.; and
- maintains a public museum and library of objects of interest to the history of the railway, its founder, Colonel Stephens, and his other railways.

The major area of activity of the Charity continues to be the operation of a heritage railway service as a means of demonstrating and exhibiting steam and other railway locomotives, rolling stock etc., which provides funding for the restoration of engines, carriages and wagons and the railway itself.

The Charity offers people the opportunity to experience the delights of the steam age, and to understand this historic means of travel which changed the face of Britain. For others it offers the opportunity to volunteer their time, helping us maintain and renovate the locomotives, carriages, and other infrastructure and providing a number of well-being benefits for the volunteers themselves.

For many years, the Charity has also run special events including "Santa Specials". While providing a valuable source of income to assist with various preservation and other similar projects, such events are important in encouraging and promoting the interest of young people in the railway. In furtherance of this aim the Charity has close links with the education departments of local authorities, as illustrated by our "Evacuation Experience", now regarded by many schools in Kent and East Sussex as an essential ingredient in their teaching of this aspect of modern history, and by our partnership with The Terrier Trust CIO and Global London Learning to create an immersive educational programme for primary school children in the London Borough of Tower Hamlets.

**The Kent and East Sussex Railway Company Limited**  
**(A company limited by guarantee)**

**Trustees' report**  
**For the year ended 31 October 2021**

***Members and volunteers***

The Trustees greatly value the support given by the members. At 31 October 2021, the membership stood at 2,473, including approximately 587 active volunteers. The Charity and its wholly owned trading subsidiary is grateful for the continued efforts of their volunteers whose contributions are integral to the growth, development, and operation of activities.

***Colonel Stephens Museum***

The museum offers free admission to all visitors when the railway is operational.

***Financial review***

The Company achieved surplus of £489,386 (on unrestricted funds before transfers between funds) for the year compared with an unrestricted surplus of £13,449 the previous year. Total income, before legacies and share of associated company profits, was £1,750,948 (2020: 1,367,168). In 2020, our highly regarded Santa Specials were cancelled due to government Covid-19 restrictions and therefore generated no income (2019: £398,135). Our net cash in hand at the end of the year was £1,119,680 (2020: £495,010), and total cash net of debt was £764,150 (2020: £76,082). Our low point for cash is usually April, when we have incurred the cost of the winter overheads, but the season has yet to get under way. Our total unrestricted costs were £1,462,209 compared with £1,595,186 in 2020, a number of measures having been taken to reshape the cost base in the face of the pandemic.

The total number of passengers carried in 2021 was 37,927 compared with 31,009 in 2020. Covid-19 restrictions resulted in the railway being closed to visitors from November 2020 until May 2021. The company received Government grants including £56,858 (2020: £174,398) of furlough grants in relation to staff that were furloughed as a result of COVID-19, and grants of £409,363 (2020: £142,837) relating to funding specifically for heritage organisations that have been significantly affected by COVID-19.

***Outlook for 2022***

The "Santa Specials" were able to go ahead in December 2021 following their cancellation in Christmas 2020. The impact of Covid-19 continues to be felt with some visitors only slowly returning, for instance coach tours and visiting parties from Cruise ships. Additionally, the cost-of-living increases being endured by our visitors and supporters will impact income growth potential and increases in the cost of utilities and coal are significant. Our predicted cash resources are considered adequate to meet budgeted obligations and new hospitality offerings are being introduced to better serve our visitors and increase income.

***Investment powers and policy***

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

***Reserves policy***

The Trustees have reviewed the reserves of the Charity. The review considered the nature of the income and expenditure streams and the need to match variable income with fixed commitments and the nature of the reserves.

The unrestricted reserves of the Group increased in the year by £561,459 to £1,876,072 (see Note 22). The unrestricted reserves are maintained to meet the Charity's ongoing unrestricted charitable expenditure as well as the longer-term financing of the Charity.

Restricted reserves have decreased by £22,142 to £1,583,645 and the purpose of these funds is detailed in Note 21 in the financial statements.

**The Kent and East Sussex Railway Company Limited**  
**(A company limited by guarantee)**

**Trustees' report**  
**For the year ended 31 October 2021**

***Reserves policy (continued)***

The Group normally meets its day to day working capital requirements through internally generated revenues. The nature of the Group's activities is such that there can be considerable variation in the timing of cash inflows.

At 31 October 2021, the Charity had net current assets of £588,991, which include cash at bank and in hand of £1,119,680. These funds include amounts held to enable the Charity to operate during the winter months when income levels are much reduced; sums received in advance for future bookings; and balances in respect of restricted funds. Further details in respect of the latter are provided in note 21.

**Structure, governance, and management**

***Governing document***

The Kent and East Sussex Railway Company Limited is a company limited by guarantee governed by its memorandum and articles of association. It is registered as a charity with the Charity Commission. Anyone can apply to become a member of the Company. At the year-end there were 2,473 members (2020: 2,467) each of whom undertakes to contribute an amount not exceeding £1 in the event of the winding up or dissolution of the Charity.

***Recruitment and appointment of Trustees***

As set out in the articles of association the Chairman of the Trustees is elected by them. Every Trustee who has served for a term of three years must retire from office. A retiring Trustee is eligible for re-election by the Members. The Trustees have the power at any time to appoint any member to be a Trustee, either to fill a casual vacancy or as an addition to the existing Trustees.

***Trustee induction and training***

New Trustees are briefed informally on their legal obligations under charity and company law, the content of the memorandum and articles of association, the committee, and decision-making processes, and recent financial performance of the Charity. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

***Organisation***

A Board of Trustees of up to ten members, who meet or communicate monthly, administers the Charity. There are subcommittees covering individual areas of activity and individual Trustees have taken responsibility for monitoring the activities in specific operational areas. They report points for action at Trustee meetings. A General Manager is appointed by the Trustees to manage the day-to-day operations of the Charity.

The non-charitable trading activities are conducted through the wholly owned trading subsidiary, Colonel Stephens Railway Enterprises Limited.

A wholly owned subsidiary, Robertsbridge 20/20 Limited, has been incorporated to investigate the long-term objective of operating the railway to Robertsbridge. This Company is dormant.

The Company has 4 subsidiary companies which are listed in Note 15, together with the relevant shareholdings.

**The Kent and East Sussex Railway Company Limited**  
**(A company limited by guarantee)**

**Trustees' report**  
**For the year ended 31 October 2021**

***Key management personnel***

The Board of Trustees is responsible for setting Policies and Instructions including those relating to Safety. The Board monitors the performance of the Management team against these Policies and Instructions and directs the General Manager accordingly. Key Management consists of the General Manager who oversees day to day operations, as well as Departmental Managers, some of whom are remunerated. The remuneration of the General Manager and the Employed Departmental Managers is set by the Board.

***Related parties***

Details of related parties are provided in Note 24 to the accounts.

***Principal risks and uncertainties***

The Trustees actively review the strategic business and operational risks to which the Charity is exposed and systems have been established to enable regular reports to be submitted to them. Arising from these regular reporting procedures the Trustees can take all necessary steps to lessen any risk to the Charity. The principal risks and uncertainties facing the Charity are as follows:

- The recovery of visitor numbers following the Covid-19 pandemic.
- Competing tourist attractions - the market in which the Charity operates is relatively competitive, and therefore the attractions of competing tourist destinations could result in losing income to them. The Charity manages this risk by providing quality and innovative attractions to engender public interest in the Charity's heritage locomotives and other assets.
- Health and safety - attention is focused on non-financial risks relating to safety issues arising from the operation of the railway. This is monitored by a Safety Committee chaired by the General Manager.
- Financial risk – specifically the impact of the rises to cost-of-living on disposable incomes and increases in costs such as utilities and coal. A key element in the management of financial risk is the regular review of the Charity's internal management accounts and cash flow generally against budget. Cash resources are reviewed on a weekly basis.
- Environmental sustainability – the continuing availability of coal is essential as is the need for the Charity to act in a responsible manner that minimises our impact on the climate and environment
- Loss of key personnel or fewer people willing to volunteer their time - these would present significant operational difficulties for the Charity. The Trustees seek to ensure that key paid personnel are appropriately remunerated, and efforts are made to encourage volunteering.

The Charity also regularly issues policy documents dealing with risk management.

***Trustees***

The Trustees in office during the year and at the date of this report are set out on page 1. No Trustee is remunerated by the Charity or its trading subsidiary.



**The Kent and East Sussex Railway Company Limited**  
(A company limited by guarantee)

**Trustees' report**  
**For the year ended 31 October 2021**

**Trustees' responsibilities in relation to the financial statements**

The Trustees as Directors are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and regulation.

Company law requires the trustees to prepare financial statements for each financial period. 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 situation of the Charity and of the results of the Charity 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 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 Companies Act 2006 and 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.

In accordance with company law, as the Company's Directors, we confirm that:

- so far as we are aware, there is no relevant audit information of which the Charity's auditors are unaware.
- and
- as the Directors of the Company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the Charity's auditors are aware of that information.

All Directors have signed declarations to the effect that they are fit and proper persons to act for the Charity in accordance with the requirements of the Finance Act 2010.

**Auditor**

The auditor, Kreston Reeves LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

By order of the Trustees:



**S A Marsh**  
**Chairman**

Date: 25 June 2022

**The Kent & East Sussex Railway Company Limited**  
**(a company limited by guarantee)**

**Independent auditor's report to the Members of the Kent and East Sussex Railway Company Limited**  
**For the year ended 31 October 2021**

**Opinion**

We have audited the financial statements of The Kent and East Sussex Railway Company Limited (the 'Parent Charitable Company') and its subsidiaries (the 'Group') for the year ended 31 October 2021 which comprise the Consolidated statement of financial activities, the Consolidated balance sheet, the Company balance sheet, the Consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and Parent Charitable Company's affairs as at 31 October 2021 and of the group's income 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 and the Charities Act 2011.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and Parent Charitable Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

**Other information**

The other information comprises the information included in the Annual report other than the financial statements and our Auditor's report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**The Kent & East Sussex Railway Company Limited**  
**(a company limited by guarantee)**

**Independent auditor's report to the Members of the Kent and East Sussex Railway Company Limited**  
**For the year ended 31 October 2021**

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' report (incorporating the Strategic report) for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the Group and Parent Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the Strategic report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate and sufficient accounting records have not been kept by the Parent Charitable Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Charitable Company's 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.

**Responsibilities of trustees**

As explained more fully in the Trustees' responsibilities statement, 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, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Group's and Parent Charitable Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or Parent Charitable Company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

**The Kent & East Sussex Railway Company Limited**  
**(a company limited by guarantee)**

**Independent auditor's report to the Members of the Kent and East Sussex Railway Company Limited**  
**For the year ended 31 October 2021**

*Capability of the audit in detecting irregularities, including fraud*

The objectives of our audit are to identify and assess the risks of material misstatement of the financial statements due to fraud or error; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud or error; and to respond appropriately to those risks.

Based on our understanding of the group and charitable sector generally, and through discussion with the Trustees and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to health and safety, anti-bribery and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, taxation and pension legislation. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or reduce expenditure and management bias in accounting estimates and judgemental areas of the financial statements. Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations and fraud; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Identifying and assessing the design effectiveness of controls that management has in place to prevent and detect fraud; and
- Conducting interviews with appropriate personnel to gain further insight into the control systems implemented, and the risk of irregularity; and
- Reading minutes of meetings of those charged with governance and reviewing correspondence with relevant regulatory authorities; and
- Physical inspection of tangible assets susceptible to fraud or irregularity; and
- Review of significant and unusual transactions and evaluation of the underlying financial rationale supporting the transactions; and
- Identifying and testing journal entries, in particular any manual entries made at the year end for financial statement preparation; and
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting

**The Kent & East Sussex Railway Company Limited**  
**(a company limited by guarantee)**

**Independent auditor's report to the Members of the Kent and East Sussex Railway Company Limited**  
**For the year ended 31 October 2021**

estimates and related disclosures made by the Trustees.

- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Use of our report**

This report is made solely to the Charitable 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 Charitable 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 Charitable Company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



**Susan Robinson BA FCA FCIE DChA MCMI (Senior statutory auditor)**

for and on behalf of

**Kreston Reeves LLP**

Chartered Accountants

Statutory Auditor

Chatham Maritime

Date: 5 July 2022

**The Kent and East Sussex Railway Company Limited**  
**(A company limited by guarantee)**

**Consolidated Statement of financial activities (incorporating income and expenditure account)**  
**for the year ended 31 October 2021**

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
<b>Income from:</b>					
Donations and legacies	6	451,848	99,359	551,207	612,789
Charitable activities	6	600,600	-	600,600	644,662
Government grants	6	466,221	-	466,221	317,235
Other grants	6	70,408	-	70,408	-
Other trading activities	6	364,645	-	364,645	173,909
Share of associate net income		5	-	5	1,572
<b>Total income</b>		<b>1,953,727</b>	<b>99,359</b>	<b>2,053,086</b>	<b>1,750,167</b>
<b>Expenditure on:</b>					
Raising funds		182,637	-	182,637	259,486
Charitable activities	7 - 10	1,281,704	49,428	1,331,132	1,435,664
<b>Total expenditure</b>		<b>1,464,341</b>	<b>49,428</b>	<b>1,513,769</b>	<b>1,695,150</b>
<b>Net income/(expenditure)</b>		<b>489,386</b>	<b>49,931</b>	<b>539,317</b>	<b>55,017</b>
Transfers between funds		72,073	(72,073)	-	-
<b>Net movement in funds</b>		<b>561,459</b>	<b>(22,142)</b>	<b>539,317</b>	<b>55,017</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward	22	1,437,188	1,605,787	3,042,975	2,987,966
Net movement in funds attributable to the parent company		561,436	(22,142)	539,294	55,009
<b>Total funds</b>		<b>1,998,624</b>	<b>1,583,645</b>	<b>3,582,269</b>	<b>3,042,975</b>
Non-controlling interest brought forward	20	(122,575)	-	(122,575)	(122,583)
Non-controlling interest movement in the year	20	23	-	23	8
		<b>1,876,072</b>	<b>1,583,645</b>	<b>3,459,717</b>	<b>2,920,400</b>

The notes on pages 15 to 43 form part of these financial statements.

**The Kent and East Sussex Railway Company Limited**  
**(A company limited by guarantee)**  
**Registered number: 01007871**

**Consolidated balance sheet**  
**as at 31 October 2021**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Intangible assets	13	3,324	4,985
Tangible assets	14	3,249,299	3,202,057
Heritage assets	14	16,511	16,511
Investments	15	11,366	11,361
		<u>3,280,500</u>	<u>3,234,914</u>
<b>Current assets</b>			
Stocks	16	22,753	20,779
Debtors	17	155,664	257,985
Cash at bank and in hand	28	1,119,680	495,018
		<u>1,298,097</u>	<u>773,782</u>
<b>Creditors:</b> amounts falling due within one year	18	<u>(709,106)</u>	<u>(622,775)</u>
<b>Net current assets</b>		<u>588,991</u>	<u>151,007</u>
<b>Total assets less current liabilities</b>		<b>3,869,491</b>	3,385,921
<b>Creditors:</b> amounts falling due after more than one year	19	<b>(287,222)</b>	<b>(342,946)</b>
<b>Net assets</b>		<u><u>3,582,269</u></u>	<u><u>3,042,975</u></u>
<b>Charity funds</b>			
Restricted funds	21	1,583,645	1,605,787
Unrestricted funds	22	1,876,072	1,314,613
<b>Total funds</b>		<u>3,459,717</u>	<u>2,920,400</u>
<b>Non-controlling interests</b>	20	122,552	122,575
		<u><u>3,582,269</u></u>	<u><u>3,042,975</u></u>

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees on 25 June 2022 and signed on their behalf by:



**S A Marsh**  
Chairman



**G A Crouch**  
Trustee

The notes on pages 15 to 43 form part of these financial statements.

**The Kent and East Sussex Railway Company Limited**  
**(A company limited by guarantee)**  
**Registered number: 01007871**

**Company balance sheet**  
**as at 31 October 2021**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	14	3,049,688	3,004,235
Heritage assets	14	16,511	16,511
Investments	15	147,217	147,212
		<u>3,213,416</u>	<u>3,167,958</u>
<b>Current assets</b>			
Debtors	17	232,454	315,709
Cash at bank and in hand		1,027,578	441,808
		<u>1,260,032</u>	<u>757,517</u>
<b>Creditors:</b> amounts falling due within one year	18	<u>(618,029)</u>	<u>(531,259)</u>
<b>Net current assets</b>		<u>642,003</u>	<u>226,258</u>
<b>Total assets less current liabilities</b>		<b>3,855,419</b>	3,394,216
<b>Creditors:</b> amounts falling due after more than one year	19	<b>(287,222)</b>	<b>(342,946)</b>
<b>Net assets</b>		<u><u>3,568,197</u></u>	<u><u>3,051,270</u></u>
<b>Charity funds</b>			
Restricted funds	21	1,583,645	1,605,787
Unrestricted funds	22	1,984,552	1,445,483
<b>Total funds</b>		<u><u>3,568,197</u></u>	<u><u>3,051,270</u></u>

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees on 25 June 2022 and signed on their behalf by:



**S A Marsh**  
Chairman



**G A Crouch**  
Trustee

The notes on pages 15 to 43 form part of these financial statements.



**The Kent and East Sussex Railway Company Limited**  
**(A company limited by guarantee)**

**Consolidated statement of cashflows**  
**for the year ended 31 October 2021**

	<b>2021</b>	2020
	£	£
<b>Cash flows from operating activities</b>		
Net cash used in operating activities (note 27)	<u>869,139</u>	<u>(53,265)</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(181,882)	(143,249)
Share of associates profit / (loss)	-	1,572
<b>Net cash used in investing activities</b>	<u>(181,882)</u>	<u>(141,677)</u>
<b>Cash flows from financing activities</b>		
Cash inflows from new borrowing	-	50,000
Repayments in borrowing	(62,595)	(21,991)
<b>Net cash provided by / (used in) financing activities</b>	<u>(62,595)</u>	<u>28,009</u>
<b>Changes in cash and cash equivalents in the year</b>	<b>624,662</b>	<b>(166,933)</b>
Cash and cash equivalents at the beginning of the year	495,018	661,951
<b>Cash and cash equivalents at the end of the year</b>	<u><u>1,119,680</u></u>	<u><u>495,018</u></u>

The notes on pages 15 to 43 form part of these financial statements.

**Notes to the financial statements**  
**for the year ended 31 October 2021**

**1 General information**

The Kent and East Sussex Railway Company Limited is a company limited by guarantee in the United Kingdom. In the event of the Charitable Company being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charitable Company. The address of the registered office is given in the Charity information on page 1 of these financial statements. The nature of the Charitable Company's operations and principal activities are set out on page 2.

**2 Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Kent and East Sussex Railway Company Limited 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.

The consolidated statement of financial activities (SOFA) and consolidated balance sheet consolidate the financial statements of the Company and its subsidiary undertakings Colonel Stephens Railway Enterprises Limited, Robertsbridge 20/20 Limited, Tenterden Railway Company Limited and the Company's controlling interest in 6619 Limited. The results of the subsidiaries are consolidated on a line by line basis.

**2.2 Group financial statements**

The financial statements consolidate the results of the Charity and its wholly-owned subsidiary companies, Colonel Stephens Railway Enterprises Limited, Robertsbridge 20/20 Limited and Tenterden Railway Company Limited, as well as the 51% owned 6619 Limited, on a line by line basis. A separate Statement of Financial Activities, or income and expenditure account, for the Charity itself is not presented because the Charity has taken advantage of exemptions afforded by section 408 of the Companies Act 2006.

**2.3 Going concern**

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Charity has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Charity's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

**Notes to the financial statements**  
**for the year ended 31 October 2021**

**2 Accounting policies (continued)**

**2.4 Income**

*Charitable activities*

Income from fares and charter trains is included in income in the period in which the journey is taken.

*Donations, Subscriptions, Grants, Legacies and Similar Income*

Income from donations, subscriptions (including life), grants, legacies and similar income is included when receivable, except as follows:

- when donors specify that donations and grants given to the Charity must be used in future accounting periods, the income is deferred until those periods.
- when donors impose conditions, which have to be fulfilled before the Charity becomes entitled to use such income, the income is deferred and not included until the pre-conditions for use have been met.
- when donors specify that donations and grants, including capital grants, are for particular purposes, which do not amount to pre-conditions regarding entitlement, the income is included in restricted funds when receivable.

*Income from commercial trading operations*

The trading subsidiary's income is recognised as earned when goods and services are provided, net of value added tax.

**2.5 Volunteers and donated services and assets**

The value of voluntary services provided by members and others is not incorporated into these financial statements on the basis that no financial cost is borne by a third party.

Where assets are provided to the Charity as a donation that would normally be purchased from a third party, the donated asset is included in the financial statements at an estimated valuation.

**2.6 Expenditure**

Expenditure is recognised when a liability is incurred on an accruals basis. Costs are classified as follows:-

- Charitable activities include expenditure in relation to the operation and maintenance of the railway, rolling stock and stations and include both the direct costs and support costs relating to these activities.
- Costs of raising funds are those costs attributable to attracting voluntary and similar income and those incurred in relation to commercial trading activities that raise funds.
- Support costs include central functions that have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating staff costs by reference to an estimate of the overall time spent and other costs by their estimated usage. They include those costs incurred in the governance of the Charity and its assets, which are primarily associated with constitutional and statutory requirements.

**Notes to the financial statements**  
**for the year ended 31 October 2021**

**2 Accounting policies (continued)**

**2.7 Intangible assets and amortisation**

Intangible assets costing £Nil or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

Amortisation is provided on the following basis:

Goodwill                      5 years straight line

**2.8 Tangible fixed assets and depreciation**

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Depreciation is provided on all tangible fixed assets, other than freehold land and assets in the course of reconstruction, at annual rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life, as follows:-

Permanent way, bridges and buildings	2% / 10% straight line
Car park	10% straight line
Railway locomotive and rolling stock	2% / 10% straight line
Plant	10% straight line
Furniture and equipment	10% / 25% / 33% straight line

The railway loco stock includes costs associated with work arising from ten year boiler inspections of locomotives on long term loan to the railway from third parties.

At each reporting date, the Charity reviews the carrying amounts of its tangible fixed assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

Recoverable amount is the higher of fair value less costs to sell and value in use.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Financial Activities.

Recognised impairment losses are reversed if the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised in the Statement of Financial Activities.

**Notes to the financial statements**  
**for the year ended 31 October 2021**

**2 Accounting policies (continued)**

**2.9 Heritage assets**

Since April 2001 the Charity has held many thousands of papers and artefacts comprising the Colonel Stephens Railway Museum collection. The collection in existence at the date of transfer to the Charity is not recognised in the balance sheet as cost information is not readily available and the Trustees believe that the benefits of obtaining valuations for these items would not justify the cost. The vast majority of items in the collection were acquired by individuals on behalf of, and subsequently donated to, Colonel Stephens Railway Museum over a period of 30 years.

The Charity's management policy in respect of its heritage assets is summarised in Note 14. Individual heritage assets acquired after April 2011 and costing up to £1,000 (up to 31 December 2014 £500) or more have been capitalised. The capitalised cost is not subject to depreciation in view of the nature of the collection.

**2.10 Investments**

Investments in subsidiary and associate undertakings are recognised at cost less any provisions for impairment.

(i) **Subsidiary undertakings**

Investments in subsidiaries are valued at cost less provision for impairment.

(ii) **Associated undertakings**

Investments in associates are stated at the amount of the Company's share of net assets. The Statement of financial activities includes the Company's share of the associated companies' profits after taxation using the equity accounting basis.

**2.11 Stocks**

Stocks are valued at the lower of cost and net realisable value. Cost comprises direct costs of purchase that have been incurred in bringing the stock to its present location and condition.

**2.12 Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**2.13 Cash at bank and in hand**

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**Notes to the financial statements**  
**for the year ended 31 October 2021**

**2 Accounting policies (continued)**

**2.14 Liabilities and provisions**

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated statement of financial activities as a finance cost.

**2.15 Leasing and hire purchase**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risk and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance lease are recognised as assets at the lower of each asset's fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the Balance Sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the Statement of Financial Activities so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The Group has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into prior to the date of transition of the standard to continue to be charged over the period to the first market rent review rather than the term of the lease.

**Notes to the financial statements**  
**for the year ended 31 October 2021**

**2 Accounting policies (continued)**

**2.16 Fund accounting**

*General funds* are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

*Designated funds* comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

*Restricted funds* are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

**2.17 Taxation**

The Kent and East Sussex Railway Company Limited is a registered charity and accordingly no provision is considered necessary for taxation.

**2.18 Employee benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

The pension scheme cost charged in the period represents contributions payable by the Charity or its trading subsidiaries into individual stakeholder pension schemes.

**Notes to the financial statements**  
**for the year ended 31 October 2021**

**3 Critical accounting estimates and areas of judgement**

In the application of the Charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from their sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

***Critical judgements***

The critical judgements that the trustees have made in the process of applying the Charity's policies that have the most significant effect on the amounts recognised in the statutory financial statements are discussed below.

***Assessing indicators of impairment***

In assessing whether there have been any indicators of impairment of assets, the trustees have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability. There have been no material indicators of impairments identified during the current financial period.

***Provision for dilapidations***

No provision has been made for dilapidations on hired assets. This is on the basis that at the end of the year trustees had not been notified by any of the owners of the hired assets that they wished to terminate their agreements and, where applicable, therefore require the Charity to undertake repairs to put the hired asset back into its state of repair at the time it was first made available to the Charity.

While it is recognised that during the course of the operation of hired assets, wear and tear will occur, no provision is made because:

- the amount of any obligation cannot be estimated reliably; and
- it is more likely than not that the Charity will not be required to make payment to the hirers of the assets for dilapidations.

***Key sources of estimation uncertainty***

The key assumptions concerning the future, and other key sources of estimation uncertainty, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

***Estimating value in use***

Where an indication of impairment exists the trustees will carry out an impairment review to determine the recoverable amount, which is the higher of fair value less cost to sell and value in use. The value in use calculation requires the trustees to estimate the future cash flows expected to arise from the asset and a suitable discount rate in order to calculate the present



Notes to the financial statements  
for the year ended 31 October 2021

3 Critical accounting estimates and areas of judgement (continued)

*Determining residual values and useful economic lives of tangible assets (property, plant and equipment)*

The Charity depreciates tangible fixed assets over their estimated useful lives. The estimation of the useful lives of assets is based on historic performance as well as expectations about future use and therefore requires estimates and assumptions to be applied by management. The actual lives of these assets can vary depending on a variety of factors, including technological innovation and maintenance programmes.

Judgement is applied by management when determining the residual values for tangible fixed assets. When determining the residual value management aim to assess the amount that the Charity would currently obtain for the disposal of the asset, if it were already of the condition expected at the end of its useful economic life. Where possible this is done with reference to external market prices.

4 Financial activities of the Charity

	Year Ended 31.10.2021	Year Ended 31.10.2020
	£	£
<b>Gross income</b>	<b>1,848,059</b>	1,565,923
Total expenditure on charitable activities	<b>(1,187,864)</b>	(1,305,925)
Cost of raising funds	<b>(132,899)</b>	(117,722)
Interest payable and similar charges (net of interest received)	<b>(10,369)</b>	(12,017)
<b>Net income/(expenditure)</b>	<b>516,927</b>	130,259
Total funds brought forward	<b>3,051,270</b>	2,921,011
<b>Total funds carried forward</b>	<b>3,568,197</b>	3,051,270
<b>Represented by:</b>		
Restricted income funds	<b>1,583,645</b>	1,605,787
Unrestricted income funds	<b>1,984,552</b>	1,445,483
	<b>3,568,197</b>	3,051,270

**Notes to the financial statements**  
**for the year ended 31 October 2021**

**5 Raising funds - commercial trading operations**

The wholly-owned trading subsidiary, Colonel Stephens Railway Enterprises Limited, pays all of its profits to the Charity under a deed of covenant. A summary of its trading results is shown below:

	<b>Year Ended</b> <b>31.10.2021</b>	Year Ended 31.10.2020
	£	£
<b>Summary of profit and loss account</b>		
Turnover	<b>364,645</b>	173,843
Government grants	<b>16,392</b>	67,789
Cost of sales and administration expenses (including group recharges)	<b>(358,752)</b>	(316,998)
<b>Net (loss)/profit</b>	<b>22,285</b>	(75,366)
Payments to charity - deed of covenant	-	-
Retained in subsidiary	<b>22,285</b>	(75,366)

Colonel Stephens Railway Enterprises Limited paid the Charity £176,010 in respect of train charter charges during the year (2020 - £57,590).

The assets and liabilities of the subsidiary were:

	<b>Year Ended</b> <b>31.10.2021</b>	Year Ended 31.10.2020
	£	£
Current assets	<b>118,040</b>	79,164
Creditors: amounts falling due within one year	<b>(171,114)</b>	(154,523)
<b>Aggregate of share capital and reserves</b>	<b>(53,074)</b>	(75,359)

**The Kent and East Sussex Railway Company Limited**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**for the year ended 31 October 2021**

**6 Income**

	<b>Year Ended</b> <b>31.10.2021</b>	Year Ended
	£	31.10.2020 £
<b>Unrestricted funds</b>		
Income from charitable activities	<b>600,600</b>	644,662
Donations	<b>74,496</b>	39,789
Legacies	<b>302,133</b>	381,361
Gift aid	<b>32,924</b>	15,145
Membership subscriptions	<b>42,295</b>	33,375
Government grants	<b>466,221</b>	317,235
Other grants	<b>70,408</b>	-
Other trading activities	<b>364,645</b>	173,909
	<b>1,953,722</b>	1,605,476
<b>Restricted funds</b>		
Donations	<b>99,359</b>	143,119
	<b>2,053,081</b>	1,748,595

Government grants includes £56,858 (2020: £174,398) of furlough grants in relation to staff that were furloughed as a result of COVID-19. A further £409,363 (2020: £142,837) relates to funding specifically for heritage organisations that have been significantly affected by COVID-19.

Notes to the financial statements  
for the year ended 31 October 2021

7 Analysis of expenditure on charitable activities

	Year Ended 31.10.2021	Year Ended 31.10.2021	Year Ended 31.10.2021
	Unrestricted funds	Restricted funds	Total funds
	£	£	£
Locomotive and rolling stock operating expenses	354,247	4,269	358,516
Permanent way and building upkeep	18,916	-	18,916
Insurance costs	41,341	-	41,341
Rent and rates	1,023	-	1,023
Salaries and wages	384,922	-	384,922
Event expenses	76,649	-	76,649
Depreciation	83,351	45,159	128,510
Disposal of fixed assets	1,123	-	1,123
Museum expenses	10,199	-	10,199
Support costs (note 8)	140,408	-	140,408
Governance costs (note 9)	26,257	-	26,257
	<b>1,138,436</b>	<b>49,428</b>	<b>1,187,864</b>

	Year Ended 31.10.2020	Year Ended 31.10.2020	Year Ended 31.10.2020
	Unrestricted funds	Restricted funds	Total funds
	£	£	£
Locomotive and rolling stock operating expenses	257,127	52,707	309,834
Permanent way and building upkeep	41,385	-	41,385
Insurance costs	47,134	-	47,134
Rent and rates	3,129	-	3,129
Salaries and wages	493,625	-	493,625
Event expenses	119,212	-	119,212
Depreciation	85,414	48,844	134,258
Museum expenses	13,274	-	13,274
Support costs (note 8)	123,133	-	123,133
Governance costs (note 9)	20,941	-	20,941
	<b>1,204,374</b>	<b>101,551</b>	<b>1,305,925</b>

**The Kent and East Sussex Railway Company Limited**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**for the year ended 31 October 2021**

**8 Allocation of support costs**

	<b>Year Ended 31.10.2021 Operation of railway £</b>	<b>Year Ended 31.10.2021 Costs of raising funds £</b>	<b>Year Ended 31.10.2021 Total funds £</b>
Administrative salaries etc.	74,217	71,611	145,828
Advertising and publicity	18,622	18,622	37,244
Telephone, postage and stationery	7,787	7,787	15,574
Membership, magazine printing and distribution	-	8,321	8,321
Office and other expenses	16,472	16,472	32,944
Training	18,611	-	18,611
Depreciation	4,699	597	5,296
	<b>140,408</b>	<b>123,410</b>	<b>263,818</b>

	<b>Year Ended 31.10.2020 Operation of railway £</b>	<b>Year Ended 31.10.2020 Costs of raising funds £</b>	<b>Year Ended 31.10.2020 Total funds £</b>
Administrative salaries etc.	75,293	72,649	147,942
Advertising and publicity	10,789	10,789	21,578
Telephone, postage and stationery	7,661	7,661	15,322
Membership, magazine printing and distribution	-	5,740	5,740
Office and other expenses	12,704	12,705	25,409
Training	12,655	-	12,655
Depreciation	4,031	512	4,543
	<b>123,133</b>	<b>110,056</b>	<b>233,189</b>

**The Kent and East Sussex Railway Company Limited**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**for the year ended 31 October 2021**

**9 Governance costs**

	Year Ended 31.10.2021 Operation of railway £	Year Ended 31.10.2021 Costs of raising funds £	Year Ended 31.10.2021 Total funds £
Audit fees	4,488	4,488	8,976
Legal and professional fees	3,549	3,549	7,098
Bank and credit card charges	18,220	1,452	19,672
	<b>26,257</b>	<b>9,489</b>	<b>35,746</b>

	Year Ended 31.10.2020 Operation of railway £	Year Ended 31.10.2020 Costs of raising funds £	Year Ended 31.10.2020 Total funds £
Audit fees	4,325	4,325	8,650
Legal and professional fees	1,945	1,945	3,890
Bank and credit card charges	14,671	1,396	16,067
	<b>20,941</b>	<b>7,666</b>	<b>28,607</b>

**10 Interest payable and similar charges**

	Year Ended 31.10.2021 £	Year Ended 31.10.2020 £
Interest on bank loan repayable after more than five years	<b>10,369</b>	12,017

**The Kent and East Sussex Railway Company Limited**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**for the year ended 31 October 2021**

**11 Staff costs**

	<b>Group 2021 £</b>	Group 2020 £	<b>Company 2021 £</b>	Company 2020 £
Wages and salaries	<b>539,172</b>	729,227	<b>484,172</b>	579,121
Social security costs	<b>42,293</b>	56,070	<b>37,898</b>	49,949
Other pension costs	<b>9,789</b>	14,207	<b>8,680</b>	12,497
	<b>591,254</b>	799,504	<b>530,750</b>	641,567

The average number of full-time equivalents employed by the Group and Company during the year, excluding the Trustees, was:

	<b>2021 No.</b>	2020 No.
Office, management and commercial	<b>13</b>	15
Maintenance, restoration and operation	<b>8</b>	11
	<b>21</b>	26

The corresponding average monthly headcount expressed was:

	<b>2021 No.</b>	2020 No.
	<b>28</b>	51

No employee received remuneration equal to or in excess of the statutory maximum for disclosure of £60,000 in either year.

The Trustees received no remuneration or benefits in kind for the year ended 31 October 2021 (2020 - £Nil).

Expenses of £Nil (2020 - £694) were reimbursed to no Trustees during the year (2020: 2 - in relation to travel and a planning application).

The key management personnel of the Charity comprise the Trustees, the General Manager and other Managers. The total employee remuneration of the key management personnel of the Charity, including employer's national insurance contributions, for the year ended 31 October 2021 was £247,593 (2020 - £148,526).

Notes to the financial statements  
for the year ended 31 October 2021

12 Retirement benefit schemes

*Defined contribution schemes*

The Charity pays into individual pension schemes for the benefit of employees. The assets of the schemes are held separately from those of the Charity in independently administered funds. The pension cost and charge represents contributions payable by the Charity to the funds and amounts to £9,789 (2020 - £14,207). At 31 October 2021 there were outstanding pension contributions of £2,002 (2020 - £2,570).

13 Intangible assets

Group

	<b>Goodwill</b> £
<b>Cost</b>	
At 1 November 2020	<b>8,307</b>
At 31 October 2021	<u><b>8,307</b></u>
<b>Amortisation</b>	
At 1 November 2020	<b>3,322</b>
Charge for the year	<b>1,661</b>
At 31 October 2021	<u><b>4,983</b></u>
<b>Net book value</b>	
At 31 October 2021	<b>3,324</b>
At 31 October 2020	<u><b>4,985</b></u>



The Kent and East Sussex Railway Company Limited  
(A company limited by guarantee)

Notes to the financial statements  
for the year ended 31 October 2021

14 Tangible fixed assets

Group

	Freehold land, permanent way, bridges & buildings £	Railway locomotive and rolling stock (including) expenditure on hired items) £	Plant £	Furniture & equipment £	Motor vehicles £	Total £
<b>Cost or valuation</b>						
At 1 November 2020	3,550,884	1,931,206	272,974	179,017	-	5,934,081
Additions	-	129,029	30,400	17,083	5,370	181,882
Disposals	-	-	(9,100)	-	-	(9,100)
At 31 October 2021	<b>3,550,884</b>	<b>2,060,235</b>	<b>294,274</b>	<b>196,100</b>	<b>5,370</b>	<b>6,106,863</b>
<b>Depreciation</b>						
At 1 November 2020	1,381,082	973,959	208,106	168,877	-	2,732,024
Charge for the year	78,874	39,252	10,160	5,296	224	133,806
Depreciation on disposal	-	-	(8,266)	-	-	(8,266)
At 31 October 2021	<b>1,459,956</b>	<b>1,013,211</b>	<b>210,000</b>	<b>174,173</b>	<b>224</b>	<b>2,857,564</b>
<b>Net book value</b>						
At 31 October 2021	<b>2,090,928</b>	<b>1,047,024</b>	<b>84,274</b>	<b>21,927</b>	<b>5,146</b>	<b>3,249,299</b>
At 31 October 2020	2,169,802	957,247	64,868	10,140	-	3,202,057

The Kent and East Sussex Railway Company Limited  
(A company limited by guarantee)

Notes to the financial statements  
for the year ended 31 October 2021

14 Tangible fixed assets (continued)

Company

	Freehold land, permanent way, bridges & buildings £	Railway locomotive and rolling stock (including expenditure on hired items) £	Plant £	Furniture & equipment £	Motor vehicles £	Total £
<b>Cost or valuation</b>						
At 1 November 2020	3,640,333	1,681,206	272,974	179,017	-	5,773,530
Additions	-	129,029	30,400	17,083	5,370	181,882
Disposals	-	-	(9,100)	-	-	(9,100)
At 31 October 2021	<b>3,640,333</b>	<b>1,810,235</b>	<b>294,274</b>	<b>196,100</b>	<b>5,370</b>	<b>5,946,312</b>
<b>Depreciation</b>						
At 1 November 2020	1,418,353	973,959	208,106	168,877	-	2,769,295
Charge for the year	80,663	39,252	10,160	5,296	224	135,595
Depreciation on disposals	-	-	(8,266)	-	-	(8,266)
At 31 October 2021	<b>1,499,016</b>	<b>1,013,211</b>	<b>210,000</b>	<b>174,173</b>	<b>224</b>	<b>2,896,624</b>
<b>Net book value</b>						
At 31 October 2021	<b>2,141,317</b>	<b>797,024</b>	<b>84,274</b>	<b>21,927</b>	<b>5,146</b>	<b>3,049,688</b>
At 31 October 2020	2,221,980	707,247	64,868	10,140	-	3,004,235

**Notes to the financial statements**  
**for the year ended 31 October 2021**

**14 Tangible fixed assets (continued)**

**Heritage assets**

The Charity has, since April 2011, been entrusted with the papers and artefacts comprising the Colonel Stephens Railway Museum collection. No value is, however, recognised in the balance sheet in respect of the collection in existence at the date of transfer to the Charity, as explained in note 2.9. A member of the Board who is appointed by the Board on an annual basis administers this collection. The museum had 9,722 visitors during the year.

Funding for further acquisitions will come from donations. The Museum will continue to dispose of donated goods, which have no relevance to the collection (principally books) to help fund its operations. The Museum committee has delegated powers to use these funds to acquire significant items that will enhance the collection

Cost of the museum collection:

	£
At 1 November 2020 and 31 October 2021	<u><u>16,511</u></u>

Summary analysis of heritage asset transactions in excess of £1,000 (£500 prior to 1 January 2015):

	<b>31.10.2021</b>	31.10.2020	31.10.2019	31.10.2018	31.10.2017	31.10.2016
	£	£		£	£	£
Purchases at cost	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,300</u>	<u>2,300</u>	<u>1,250</u>

**The Kent and East Sussex Railway Company Limited**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**for the year ended 31 October 2021**

**15 Fixed asset investments**

<b>Group</b>	<b>Investments in associates £</b>
<b>Market value</b>	
At 1 November 2020	<b>11,361</b>
Share of associates profit /(loss)	<b>5</b>
At 31 October 2021	<b><u>11,366</u></b>
Historical cost	<b><u>10,000</u></b>

The investment costing £11,366 (2020 - £11,361) represents the fair value of the Company's investment in Kent and East Sussex Railway Adventures Company Limited comprising 40 (2020 - 40) ordinary shares. The Company is currently dormant.

**Subsidiaries**

i). The wholly-owned trading subsidiary, Colonel Stephens Railway Enterprises Limited, which is incorporated in England, pays all its profits to the Charity by deed of covenant. Colonel Stephens Railway Enterprises Limited operates the Wealden Pullman and other dining trains, the buffet and other catering facilities, the book and gift shop, and all commercial trading operations carried on by the group.

ii). Robertsbridge 20/20 Limited, which is incorporated in England, continues to be dormant. The investment cost is shown as £1.

iii). Tenterden Railway Company Limited, the Company formerly known as The Kent and East Sussex Railway Company Limited, a company limited by guarantee and incorporated in England, also continues to be dormant. The investment cost is shown as £7.

iv). The investment costing £135,843 (2020 - £135,843) represents the Company's investment in 6619 Limited comprising 2,058 (2020 - 2,058) ordinary shares, which represents a 51% (2020 - 51%) interest. This company owns a former GWR locomotive with the same number. G A Crouch is a director of, and has an interest in, the shares of 6619 Limited.

The Kent and East Sussex Railway Company Limited  
(A company limited by guarantee)

Notes to the financial statements  
for the year ended 31 October 2021

15 Fixed asset investments (continued)

Company	Shares in group undertakings £	Investments in participating interests £	Total £
<b>Market value</b>			
At 1 November 2020	135,851	11,361	147,212
Share of associates profit /(loss)	-	5	5
At 31 October 2021	<u>135,851</u>	<u>11,366</u>	<u>147,217</u>
Historical cost	<u>135,851</u>	<u>10,000</u>	<u>145,851</u>

16 Stocks

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Goods for resale	<u>22,753</u>	20,779	-	-

17 Debtors

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Trade debtors	50,900	1,611	49,034	59
Amounts owed by group undertakings	-	-	80,037	63,007
VAT and gift aid	18,397	12,269	18,397	12,269
Other debtors	-	2,401	-	2,401
Prepayments and accrued income	86,367	241,704	84,986	237,973
	<u>155,664</u>	257,985	<u>232,454</u>	315,709

**The Kent and East Sussex Railway Company Limited**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**for the year ended 31 October 2021**

**18 Creditors: amounts falling due within one year**

	<b>Group</b> <b>2021</b> £	Group 2020 £	<b>Company</b> <b>2021</b> £	Company 2020 £
Bank loans and overdrafts	<b>59,308</b>	46,990	<b>59,308</b>	46,990
Other loans	<b>9,000</b>	29,000	<b>9,000</b>	29,000
Trade creditors	<b>126,854</b>	113,804	<b>111,734</b>	103,548
Amounts owed to group undertakings	-	-	-	-
Other taxation and social security	<b>21,697</b>	10,773	<b>12,136</b>	-
Other creditors	<b>2,002</b>	2,570	<b>2,002</b>	2,570
Accruals and deferred income	<b>490,245</b>	419,638	<b>423,849</b>	349,151
	<b>709,106</b>	622,775	<b>618,029</b>	531,259

	<b>Group</b> <b>2021</b> £	Group 2020 £	<b>Company</b> <b>2021</b> £	Company 2020 £
<b>Deferred income</b>				
Deferred income at 1 November 2020	<b>369,160</b>	394,440	<b>307,714</b>	324,513
Resources deferred during the year	<b>454,106</b>	369,160	<b>396,685</b>	307,714
Amounts released from previous periods	<b>(369,160)</b>	(394,440)	<b>(307,714)</b>	(324,513)
Deferred income at 31 October 2021	<b>454,106</b>	369,160	<b>396,685</b>	307,714

**The Kent and East Sussex Railway Company Limited**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**for the year ended 31 October 2021**

**19 Creditors: amounts falling due after more than one year**

	<b>Group 2021 £</b>	Group 2020 £	<b>Company 2021 £</b>	Company 2020 £
Bank loans	<b>287,222</b>	342,946	<b>287,222</b>	342,946

Included within the above are amounts falling due as follows:

	<b>Group 2021 £</b>	Group 2020 £	<b>Company 2021 £</b>	Company 2020 £
<b>Due in two to five years</b>				
Bank loans	<b>234,894</b>	212,203	<b>234,894</b>	212,203
<b>Over five years</b>				
Bank loans	<b>52,328</b>	130,743	<b>52,328</b>	130,743

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

	<b>Group 2021 £</b>	Group 2020 £	<b>Company 2021 £</b>	Company 2020 £
Repayable by instalments	<b>52,328</b>	130,743	<b>52,328</b>	130,743

The current portion of the secured loan amounts to £49,638 (2020 - £37,483) and this is included under creditors falling due within one year. The CAF Bank loan is repayable in monthly instalments of £4,137, which commenced in August 2013, and interest is charged at a rate of 3.0% per annum over bank base rate.

All property of the Charity is subject to either a fixed or floating charge in favour of CAF Bank Limited as security for the bank loan.

The Statement of Recommended Practice requires disclosure of the amount of the secured loans as a proportion of the value of the assets charged. However, in the opinion of the Trustees, obtaining an up-to-date version of these assets would not provide benefits commensurate with the costs involved.

**20 Non-controlling interests**

	<b>2021 £</b>
At 1 November 2020	<b>122,575</b>
Non-controlling interests recognised in the year	<b>(23)</b>
<b>At 31 October 2021</b>	<b><u>122,552</u></b>

**The Kent and East Sussex Railway Company Limited**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**for the year ended 31 October 2021**

**21 Restricted funds - group and company - 2021**

The income funds of the group include restricted funds arising from grants, donations etc. received for specific purposes. The movements during the year were as follows:

	Balance at 01.11.2020	Income	Expenditure	Transfers in/(out)	Balance at 31.10.2021
	£	£	£	£	£
Bodiam extension	765,797	-	(26,181)	-	739,616
Rolvenden carriage shed	439,299	-	(9,338)	-	429,961
6619 Limited	13,617	-	-	-	13,617
Aries Pullman Car	78,426	130	(1,891)	-	76,665
Terrier 150	33,073	57,172	(180)	(37,430)	52,635
Other projects	275,575	42,057	(11,838)	(34,643)	271,151
	<b>1,605,787</b>	<b>99,359</b>	<b>(49,428)</b>	<b>(72,073)</b>	<b>1,583,645</b>

The funds for other projects relate to grants and donations in respect of work for individual projects of restoration and improvement of rolling stock and infrastructure.

Included in other projects is a fund for the Blue RU No. 1987. £9,000 (2020 - £29,000) of loans remain owed to individuals in relation to this fund and can be seen in Note 18 under other loans. The Charity is aiming to generate enough funds to repay the loans.

The balance at 31 October 2021 amounting to £271,151 (2020 - £275,575) includes unspent cash balances of £156,423 (2020 - £146,998). The movements in the restricted fund cash balances, which form part of the 'other projects' fund, are analysed as follows:

	Cash balance at 01.11.2020	Cash received	Cash spent capital expenditure	Cash spent other expenses	Cash balance at 31.10.2021
	£	£	£	£	£
Aries Pullman Car	24,882	130	-	(1,891)	23,121
Balcony Saloon	1,690	-	-	-	1,690
Bodiam Loco 3	500	-	-	-	500
Cavell Van	9,132	75	-	(395)	8,812
District Coach 100	350	-	-	(350)	-
Funded Expenditure - Signal Frame	1,250	-	-	-	1,250
GWR Railcar Appeal	11,265	2,824	-	(120)	13,969
Kit Kat Van	2,162	64	-	-	2,226
Marcia	-	-	-	-	-
Museum - Miller Legacy	35,615	-	-	-	35,615
Pullman Donations	36,242	8,902	-	(482)	44,662
Ready for Robertsbridge	23,555	668	-	-	24,223
Staff Accommodation	355	-	-	-	355
	<b>146,998</b>	<b>12,663</b>	<b>-</b>	<b>(3,238)</b>	<b>156,423</b>



**The Kent and East Sussex Railway Company Limited**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**for the year ended 31 October 2021**

**Restricted funds - group and company - 2020**

The income funds of the group include restricted funds arising from grants, donations etc. received for specific purposes. The movements during the year were as follows:

	Balance at 01.11.2019 £	Income £	Expenditure £	Transfers in/(out) £	Balance at 31.10.2020 £
Bodiam extension	791,978	-	(26,181)	-	765,797
Rolvenden carriage shed	449,737	-	(10,438)	-	439,299
6619 Limited	13,617	-	-	-	13,617
Aries Pullman Car	77,963	1,118	(655)	-	78,426
Terrier 150	36,914	16,490	-	(20,331)	33,073
Other projects	328,158	125,511	(64,277)	(113,817)	275,575
	<u>1,698,367</u>	<u>143,119</u>	<u>(101,551)</u>	<u>(134,148)</u>	<u>1,605,787</u>

The funds for other projects relate to grants and donations in respect of work for individual projects of restoration and improvement of rolling stock and infrastructure. The balance at 31 October 2020, amounting to £275,575 includes unspent cash balances of £146,998.

**22 Unrestricted funds - 2021**

	<b>Group 2021 £</b>	<b>Company 2021 £</b>
<i>General funds</i>		
At 1 November 2020	<b>1,397,235</b>	<b>1,405,531</b>
Surplus for the year	<b>478,066</b>	<b>455,699</b>
Transfers in	<b>72,073</b>	<b>72,073</b>
<b>At 31 October 2021</b>	<b><u>1,947,374</u></b>	<b><u>1,933,303</u></b>
<i>Designated funds</i>		
At 1 November 2020	<b>39,953</b>	<b>39,952</b>
Surplus for the year	<b>11,297</b>	<b>11,297</b>
<b>At 31 October 2021</b>	<b><u>51,250</u></b>	<b><u>51,249</u></b>
<i>Non-controlling interest</i>		
At 1 November 2020	<b>(122,575)</b>	-
Movement in the year	<b>23</b>	-
<b>At 31 October 2021</b>	<b><u>(122,552)</u></b>	-
<b>Total</b>	<b><u>1,876,072</u></b>	<b><u>1,984,552</u></b>

The funds held by non-controlling minority interests, are all in respect of the investment in 6619 Limited.

**The Kent and East Sussex Railway Company Limited**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**for the year ended 31 October 2021**

**Unrestricted funds - 2020**

	Group 2020 £	Company 2020 £
<i>General funds</i>		
At 1 November 2019	1,253,697	1,186,743
Surplus for the year	9,390	84,640
Transfers in	134,148	134,148
At 31 October 2020	<u>1,397,235</u>	<u>1,405,531</u>
<i>Designated funds</i>		
At 1 November 2019	35,902	35,901
Surplus for the year	4,051	4,051
At 31 October 2020	<u>39,953</u>	<u>39,952</u>
<i>Non-controlling interest</i>		
At 1 November 2019	(122,583)	-
Movement in the year	8	-
At 31 October 2020	<u>(122,575)</u>	<u>-</u>
Total	<u><u>1,314,613</u></u>	<u><u>1,445,483</u></u>

The movements in the unrestricted designated fund cash balances are analysed as follows:

	Cash balance at 01.11.2020 £	Cash received £	Cash spent other expenses £	Cash balance at 31.10.2021 £
Museum	34,616	13,043	(1,746)	45,913
C&W extension	5,338	-	-	5,338
	<u>39,954</u>	<u>13,043</u>	<u>(1,746)</u>	<u>51,251</u>

The movements in the 2020 unrestricted designated fund cash balances are analysed as follows:

	Cash balance at 01.11.2019 £	Cash received £	Cash spent other expenses £	Cash balance at 31.10.2020 £
Museum	30,564	4,678	(626)	34,616
C&W extension	5,338	-	-	5,338
	<u>35,902</u>	<u>4,678</u>	<u>(626)</u>	<u>39,954</u>

Notes to the financial statements  
for the year ended 31 October 2021

23 Analysis of net assets between funds

Analysis of net assets between funds - current year:

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Intangible fixed assets	3,324	-	3,324
Tangible fixed assets	1,855,790	1,393,509	3,249,299
Heritage assets	-	16,511	16,511
Fixed asset investments	-	11,366	11,366
Current assets	1,135,838	162,259	1,298,097
Creditors due within one year	(709,106)	-	(709,106)
Creditors due in more than one year	(287,222)	-	(287,222)
	<b>1,998,624</b>	<b>1,583,645</b>	<b>3,582,269</b>

Analysis of net assets between funds - prior year:

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Intangible fixed assets	4,985	-	4,985
Tangible fixed assets	1,758,891	1,443,166	3,202,057
Heritage assets	-	16,511	16,511
Fixed asset investments	-	11,361	11,361
Current assets	639,033	134,749	773,782
Creditors due within one year	(622,775)	-	(622,775)
Creditors due in more than one year	(342,946)	-	(342,946)
	<b>1,437,188</b>	<b>1,605,787</b>	<b>3,042,975</b>

**The Kent and East Sussex Railway Company Limited**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**for the year ended 31 October 2021**

**24 Related party transactions**

- i). The Charity as a mutual body receives annual subscriptions from its members.
- ii). G A Crouch and the former Director B R Atkins, have personal interests in certain items of locomotive and rolling stock, which are made available to the Charity and, in consideration, are maintained by the Charity.
- iii). G A Crouch, I C Legg, S A Marsh, P D Shaw, N D Sime, C H Mavor, the company secretary, and the former Director B R Atkins are members or shareholders of organisations which own certain items of locomotive, rolling stock and other equipment, which are made available to the Charity, and in consideration, are maintained by the Charity.
- iv). The Charity is a member of The Terrier Trust and has a 25% interest in the Terrier locomotive 'Bodiam' owned jointly by the Trust which has been included in fixed assets. D J Nibloe, P E Vidler, R M White and M J Hyner are also members of the Terrier Trust.
- v). G A Crouch and M J Hyner are Directors of 6619 Limited, a company that the Charity has a 51% controlling interest of, which owns a locomotive which is made available to the Charity. C H Mavor, the company secretary, is secretary of 6619 Limited.
- vi). I C Legg, S A Marsh, P D Shaw, N D Sime, P E Vidler and M J Hyner are all members of the Kent and East Sussex Locomotive Trust. At the Balance sheet date The Kent and East Sussex Railway Company Limited owe a balance of £Nil (2020: £20,000) to this organisation in respect of a loan received to assist the Charity with the completion of the Kitchen Car.
- vii). Due to the close relationship the Charity has with its trading subsidiary, Colonel Stephens Railway Enterprises Limited, there are inter-company transactions undertaken within the ordinary course of business.
- viii). Other than expenses reimbursed to Trustees, as per note 11, which were deemed to be undertaken within the ordinary course of business, there were no additional related party transactions.

**25 Contingent liabilities**

- i). Articles 8 to 10 of the British Railways Board (Kent and East Sussex) Light Railway (Transfer and Amendment) Order 1973 have imposed upon the Charity certain obligations for the protection of County Councils and landowners through whose jurisdiction and land the Railway passes.

**26 Operating lease commitments**

As at 31 October 2021 the Group and the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	<b>2021</b>	2020
	<b>£</b>	£
Not later than 1 year	<b>9,869</b>	9,869
Later than 1 year and not later than 5 years	<b>8,781</b>	18,650
	<b>18,650</b>	28,519

Notes to the financial statements  
for the year ended 31 October 2021

27 Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2021 £	Group 2020 £
Net income/(expenditure) for the year (as per Statement of financial activities)	539,317	55,017
<b>Adjustments for:</b>		
Depreciation charges	133,806	138,801
Loss on disposal of fixed assets	372	-
Amortisation charges	1,661	-
Share of associate (profit) / loss	(5)	(1,572)
Decrease in stocks	(1,974)	12,380
Decrease / (increase) in debtors	102,321	(150,942)
Increase / (decrease) in creditors	93,641	(106,949)
<b>Net cash provided by operating activities</b>	<b>869,139</b>	<b>(53,265)</b>

28 Analysis of cash and cash equivalents

	Group 2021 £	Group 2020 £
<b>Cash in hand</b>	<b>1,119,680</b>	<b>495,018</b>

## The Kent and East Sussex Railway Company Limited

(A company limited by guarantee)

### Notes to the financial statements for the year ended 31 October 2021

#### 29. Principal subsidiaries and associates

The principal subsidiaries of the Charity were:

Names	Company number	Registered office or principal place of business	Principal activity	Class of Holding shares	Holding	Included in consolidation
Colonel Stephens Railway Enterprises Limited	02668156	Tenterden Town Station, Tenterden, Kent, TN30 6HE	The provision of catering services and a small gift shop, on behalf of its parent company.	Ordinary	100%	Yes
Robertsbridge 20/20 Limited	03838535	Tenterden Town Station, Station Road, Tenterden, Kent, TN30 6HE	Dormant	Ordinary	100%	Yes
Tenterden Railway Company Limited	04319270	Tenterden Town Station, Station Road, Tenterden, Kent, TN30 6HE	Dormant	Ordinary	100%	Yes
6619 Limited	08012491	Tenterden Town Station, Station Road, Tenterden, Kent, TN30 6HE	The restoration of the 6619 Locomotive	Ordinary	51%	Yes

The financial results of the subsidiaries for the year were:

Names	Income £	Expenditure £	Profit/(Loss)/ Surplus/ (Deficit) for the year £	Net assets £
Colonel Stephens Railway Enterprises Limited	381,037	(358,752)	22,285	(53,074)
Robertsbridge 20/20 Limited	-	-	-	1
Tenterden Railway Company Limited	-	-	-	-
6619 Limited	-	(46)	(46)	250,061

The following was an associate of the Charity:

Name	Fair value of investment at 31 October 2021 £	Registered office or principal place of business	Class of shares	Holding
Kent and East Sussex Railway Adventures Company Limited	11,366	Rolvenden Layne, TN17 4NL	Ordinary	20%

**The Kent & East Sussex Railway Company Limited**  
**(A company limited by guarantee)**

**Consolidated detailed Income and Expenditure Account**  
**for the year ended 31 October 2021**

	Parent Company	Designated Funds	Colonel Stephens	Intra-Group Transactions	Total 2021	Total 2020
<b>Income before legacies:</b>						
Fares and donations to travel	653,056	-	-	(176,010)	<b>477,046</b>	165,136
Santa Special receipts	-	-	-	-	-	398,135
Lego event	-	-	-	-	-	58
Membership subscriptions	42,295	-	-	-	<b>42,295</b>	33,375
Donations	160,812	13,043	-	-	<b>173,855</b>	182,908
Gift aid	32,924	-	-	-	<b>32,924</b>	15,145
Wealden Pullman	-	-	211,225	-	<b>211,225</b>	79,783
Gift shop takings	-	-	42,257	-	<b>42,257</b>	26,880
Buffet and catering	-	-	109,015	-	<b>109,015</b>	62,672
Railway Experience Days	-	-	2,148	-	<b>2,148</b>	2,979
Footplate Tasters	-	-	-	-	-	1,529
Hire of locomotive	6,050	-	-	-	<b>6,050</b>	-
Rental income	39,000	-	-	-	<b>39,000</b>	-
Sundry income	78,504	-	-	-	<b>78,504</b>	81,449
Other grants	70,408	-	-	-	<b>70,408</b>	-
Government support	449,829	-	16,392	-	<b>466,221</b>	317,235
	<b>1,532,878</b>	<b>13,043</b>	<b>381,037</b>	<b>(176,010)</b>	<b>1,750,948</b>	<b>1,367,168</b>
Covenant from subsidiary	-	-	-	-	-	-
	<b>1,532,878</b>	<b>13,043</b>	<b>381,037</b>	<b>(176,010)</b>	<b>1,750,948</b>	<b>1,367,168</b>
<b>Direct operating expenses</b>	1,065,621	627	163,307	-	<b>1,229,555</b>	1,384,827
<b>Train charter costs</b>	-	-	176,010	(176,010)	-	-
<b>Administration expenses</b>	114,199	-	19,435	4	<b>133,638</b>	108,385
<b>Finance charges (net of interest received)</b>	10,369	-	-	-	<b>10,369</b>	12,017
<b>Depreciation</b>	88,775	-	-	(128)	<b>88,647</b>	89,957
	<b>1,278,964</b>	<b>627</b>	<b>358,752</b>	<b>- 176,134</b>	<b>1,462,209</b>	<b>1,595,186</b>
<b>Deficit before legacy income</b>	253,914	12,416	22,285	124	<b>288,739</b>	(228,018)
Add: legacy income	302,133	-	-	-	<b>302,133</b>	381,361
Share of associates profit / (loss)	5	-	-	-	<b>5</b>	1,572
<b>Total surplus for the year</b>	<b>556,052</b>	<b>12,416</b>	<b>22,285</b>	<b>124</b>	<b>590,877</b>	<b>154,915</b>

**The Kent & East Sussex Railway Company Limited**  
**(A company limited by guarantee)**

**Detailed Income and Expenditure Account**  
**for the year ended 31 October 2021**

	<b>Schedules</b>	<b>Total 2021</b>	<b>Total 2020</b>
<b>Income before legacies:</b>			
Fares and donations to travel		<b>653,056</b>	222,726
Santa Special receipts		-	398,135
Lego event		-	(58)
Membership subscriptions (including life)		<b>42,295</b>	33,375
Donations		<b>160,812</b>	35,111
Gift aid		<b>32,924</b>	15,145
Museum income (donations)		-	179
Filming income		<b>19,305</b>	9,900
Sundry income		<b>59,199</b>	71,370
Rental income		<b>39,000</b>	-
Government support		<b>449,829</b>	249,446
Other grants		<b>70,408</b>	-
Hire of locomotives		<b>6,050</b>	-
Enterprises Limited - covenanted profits		-	-
		<b><u>1,532,878</u></b>	<b><u>1,035,329</u></b>
<b>Direct operating expenses</b>	<b>1</b>	<b>1,065,621</b>	1,142,780
<b>Administration expenses</b>	<b>2</b>	<b>114,199</b>	90,397
<b>Finance charges</b>	<b>3</b>	<b>10,369</b>	12,017
<b>Depreciation and amortisation</b>	<b>4</b>	<b>88,775</b>	90,085
		<b><u>1,278,964</u></b>	<b><u>1,335,279</u></b>
<b>Surplus/(deficit) before legacy income</b>		<b>253,914</b>	(299,950)
Add: legacy income		<b>302,133</b>	381,361
<b>Total surplus/(deficit) for the year</b>		<b><u>556,047</u></b>	<b><u>81,411</u></b>



**The Kent & East Sussex Railway Company Limited**  
**(A company limited by guarantee)**

**Schedules to the detailed Income and Expenditure Account**  
**for the year ended 31 October 2021**

	Total 2021	Total 2020
<b>1. Direct operating expenses</b>		
Cost, fuel, oil and water	74,268	42,101
Hire of locomotives	34,678	13,788
Operating department expenses	16,726	13,735
Signals and telegraph expenses	3,154	5,880
Permanent way and civil engineering expenditure	14,142	34,305
Forestry and conservation	4,179	3,767
Loco department costs	66,287	52,946
Carriage and wagon departments costs	25,022	36,604
Rent	1,023	3,129
Repair and maintenance of buildings	50,686	31,906
JCB Lease Hire	10,030	5,156
Electricity and power	58,465	40,623
Cleaning	13,785	17,082
Insurance	41,341	47,134
Wages, national insurance and pension	530,750	641,567
Advertising and publicity	34,237	20,571
Event expenses:		
Santa and Day Out with Thomas	58,621	109,394
Other	18,028	9,818
	<u>76,649</u>	119,212
Museum overheads	10,199	13,274
	<u><u>1,065,621</u></u>	<u><u>1,142,780</u></u>
<b>2. Administration expenses</b>		
Audit	8,975	8,650
Telephone, postage and stationery	15,573	15,322
Membership, magazine printing and distribution expenses	8,321	5,740
Legal and professional fees	7,097	3,890
Training and personnel costs	18,611	12,655
Office and other expenses	11,410	8,536
Computer expenses	24,540	19,537
Bank charges	2,904	2,792
Credit card charges	16,768	13,275
	<u><u>114,199</u></u>	<u><u>90,397</u></u>
<b>3. Finance charges</b>		
Bank loan interest	<u><u>10,369</u></u>	<u><u>12,017</u></u>
<b>4. Depreciation and amortisation</b>		
Charge for the period (gross of eliminating adjustment)	135,595	140,590
Goodwill amortisation	(1,661)	(1,661)
Less: amortisation of capital grants and donations received in	(45,159)	(48,844)
	<u><u>88,775</u></u>	<u><u>90,085</u></u>

**The Kent & East Sussex Railway Company Limited**  
**(A company limited by guarantee)**

**Colonel Stephens Railway Enterprises Limited**  
**Balance sheet**  
**As at 31 October 2021**

	Year ended 31/10/2021	Year ended 31/10/2020
<b>Current assets</b>		
Stock	22,753	20,779
Trade debtors	1,866	1,552
Other debtors	1,381	3,731
Cash at bank and in hand	<u>92,040</u>	<u>53,102</u>
	<b>118,040</b>	<b>79,164</b>
<b>Creditors: amounts falling due within one year</b>		
Trade creditors	15,120	10,256
Amounts owed to group undertakings	80,037	63,007
Other taxation and social security	9,561	10,773
Accruals and deferred income	<u>66,396</u>	<u>70,487</u>
	<b>(171,114)</b>	<b>(154,523)</b>
<b>Net (liabilities)/assets</b>	<u><b>(53,074)</b></u>	<u><b>(75,359)</b></u>
<b>Capital and reserves</b>		
Called up share capital	7	7
Profit and loss account	<b>(53,081)</b>	<b>(75,366)</b>
<b>Shareholders funds</b>	<u><b>(53,074)</b></u>	<u><b>(75,359)</b></u>

**The Kent & East Sussex Railway Company Limited**  
**(A company limited by guarantee)**

**Colonel Stephens Railway Enterprises Limited**  
**Trading and profit and loss account**  
**For the year ended 31 October 2021**

		Year ended 31/10/2021	Year ended 31/10/2020
Sales	1	364,645	173,843
Less: cost of sales	2	338,209	298,975
Gross trading profit/(loss)		<u>26,436</u>	<u>(125,132)</u>
Less: Overhead expenses			
Audit		8,975	8,650
Repairs and maintenance		3,861	1,962
Light and heat		1,180	694
Printing, postage and stationery		434	37
Credit card charges		5,623	6,287
Bank charges		470	393
		<u>20,543</u>	<u>18,023</u>
Plus: Government grants		16,392	67,789
Net profit/(loss) before charitable donation		<u>22,285</u>	<u>(75,366)</u>
Less: charitable donation		-	-
Net profit/(loss)		<u>22,285</u>	<u>(75,366)</u>

**Schedules to the trading and profit and loss account**  
**For the year ended 31 October 2021**

		Year ended 31/10/2021	Year ended 31/10/2020
<b>1. Sales</b>			
Wealden Pullman and Sunday lunches		210,764	79,783
Gift shop takings		42,257	26,880
Buffet and catering		109,476	62,672
Railway Experience Days		2,148	2,979
Footplate Tasters		-	1,529
		<u>364,645</u>	<u>173,843</u>
<b>2. Costs of sales</b>			
Wealden Pullman purchases and expenses		45,516	23,460
Gift shop purchases and expenses		19,707	13,607
Buffet purchases and expenses		36,472	46,381
Train charter costs and fares		176,010	57,590
Wages and national insurance		59,395	156,227
Staff pension scheme costs		1,109	1,710
		<u>338,209</u>	<u>298,975</u>