

Registered number: 02668156

Colonel Stephens Railway Enterprises Limited

Directors' report and financial statements

For the year ended 31 October 2022

Colonel Stephens Railway Enterprises Limited

Company Information

Directors

G A Crouch
I C Legg
P D Shaw
K M Bulled
S A Marsh

Company secretary

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

Registered number

02668156

Registered office

Tenterden Town Station
Tenterden
Kent
TN30 6HE

Independent auditor

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

Colonel Stephens Railway Enterprises Limited

Directors' report For the year ended 31 October 2022

The directors present their report and the financial statements for the year ended 31 October 2022.

Directors' responsibilities statement

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Directors

The directors who served during the year were:

G A Crouch
I C Legg
P D Shaw
K M Bulled
S A Marsh

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Colonel Stephens Railway Enterprises Limited

Directors' report (continued) For the year ended 31 October 2022

Going concern

The Directors are aware that currently the company finds itself in a position where it has a Balance sheet in deficit by £14,501.

The company had a particularly poor result two financial years ago due to the outbreak of COVID-19. The Directors were of the opinion that the company always remained profitable before COVID-19 and it was only as a result of the lockdown and social distancing measures imposed by the government that led to the services operated by the company being stopped. This subsequently led to a reduction in turnover and the company finding itself in a loss making position.

This assumption has been found to be accurate given the company has again been profitable for two years and the balance sheet position continues to improve. The Directors are of the opinion that the balance sheet will again show a liquid position in the near future. As a result they are of the opinion that the company has proven it is a going concern and for the next 12 months, since the date of signing, will remain operational.

Auditor

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

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

G A Crouch

Director

Date:

Colonel Stephens Railway Enterprises Limited

Independent auditor's report to the members of Colonel Stephens Railway Enterprises Limited

Opinion

We have audited the financial statements of Colonel Stephens Railway Enterprises Limited (the 'Company') for the year ended 31 October 2022, which comprise the Statement of income and retained earnings, the Balance sheet 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 Company's affairs as at 31 October 2022 and of its profit 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.

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 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.

Emphasis of matter

We draw attention to note 2.2 to the financial statements which describes the uncertainty related to the Company's ability to continue as a going concern.

We confirm that there are no other matters to which your attention should be drawn to enable a proper understanding of the accounts to be reached.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' 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 Company'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 directors with respect to going concern are described in the relevant sections of this report.

Colonel Stephens Railway Enterprises Limited

Independent auditor's report to the members of Colonel Stephens Railway Enterprises Limited (continued)

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 directors 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.

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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 1, the directors 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 directors 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 directors are responsible for assessing the 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 directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

**Independent auditor's report to the members of Colonel Stephens Railway Enterprises Limited
(continued)**

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.

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 company and sector, and through discussion with the Directors 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
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; 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
- 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.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

Colonel Stephens Railway Enterprises Limited

Independent auditor's report to the members of Colonel Stephens Railway Enterprises Limited (continued)

- 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 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 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.

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

S Robinson BA FCA FCIE DChA MCMI (Senior statutory auditor)

for and on behalf of
Kreston Reeves LLP

Chartered Accountants
Statutory Auditor

Chatham Maritime
Date:

Colonel Stephens Railway Enterprises Limited

Statement of income and retained earnings For the year ended 31 October 2022

	2022 £	2021 £
Turnover	577,965	364,645
Cost of sales	(514,275)	(338,209)
Gross profit	63,690	26,436
Administrative expenses	(25,110)	(20,543)
Government grants	-	16,392
Operating profit	38,580	22,285
Tax on profit	-	-
Profit after tax	38,580	22,285
Retained earnings at the beginning of the year	(53,081)	(75,366)
Profit for the year	38,580	22,285
Retained earnings at the end of the year	(14,501)	(53,081)

There were no recognised gains and losses for 2022 or 2021 other than those included in the statement of income and retained earnings.

The notes on pages 9 to 12 form part of these financial statements.

Colonel Stephens Railway Enterprises Limited
Registered number: 02668156

Balance sheet
As at 31 October 2022

	Note	2022 £	2021 £
Current assets			
Stocks		32,729	22,753
Debtors: amounts falling due within one year	4	4,161	3,247
Cash at bank and in hand		99,188	92,040
		<u>136,078</u>	<u>118,040</u>
Creditors: amounts falling due within one year	5	<u>(150,572)</u>	<u>(171,114)</u>
Net current liabilities		(14,494)	(53,074)
Net liabilities		(14,494)	(53,074)
Capital and reserves			
Called up share capital	6	7	7
Profit and loss account		<u>(14,501)</u>	<u>(53,081)</u>
		<u>(14,494)</u>	<u>(53,074)</u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf:

G A Crouch
 Director

Date:

The notes on pages 9 to 12 form part of these financial statements.

Colonel Stephens Railway Enterprises Limited

Notes to the financial statements For the year ended 31 October 2022

1. General information

Colonel Stephens Railway Enterprises Limited is a private company limited by shares incorporated in England and Wales. The registered office Tenterden Town Station, Tenterden, Kent, TN30 6HE.

2. Accounting policies

2.1 Basis of preparation of financial statements

These financial statements have been prepared in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ('FRS 102') and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' - Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows'; - Presentation of a statement of cash flow and related notes and disclosures;
- Section 33 'Related Party Disclosures' - Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of The Kent and East Sussex Railway Company Limited. These consolidated financial statements are available from its registered office.

2.2 Going concern

Notwithstanding the net liabilities at the balance sheet date of £14,501 the accounts have been prepared on a going concern basis. The justification of this treatment is as follows:

- The company has proven its ability to generate a profit for the last two financial periods and the balance sheet continues to improve.
- The Directors have so far shown the company continues to generate profit after the balance sheet date.
- The main creditor is the Parent Charity, and so there hasn't been a need to agree any payment plans at this stage.

**Notes to the financial statements
For the year ended 31 October 2022**

2. Accounting policies (continued)

2.3 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Sale of goods

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.4 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of income and retained earnings in the same period as the related expenditure.

2.5 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.6 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.7 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**Notes to the financial statements
For the year ended 31 October 2022**

2. Accounting policies (continued)

2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.9 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.10 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

3. Employees

Employees were engaged by the parent company, The Kent and East Sussex Railway Company Limited, and salary costs recharged for work undertaken on behalf of the company. Details of staff numbers are disclosed in the accounts of the parent company. The directors are not remunerated and are not contractually employed by the company.

4. Debtors

	2022	2021
	£	£
Trade debtors	977	1,866
Prepayments and accrued income	3,184	1,381
	4,161	3,247

5. Creditors: Amounts falling due within one year

	2022	2021
	£	£
Trade creditors	12,422	15,120
Amounts owed to group undertakings	66,521	80,037
Other taxation and social security	6,021	9,561
Accruals and deferred income	65,608	66,396
	150,572	171,114

6. Share capital

Colonel Stephens Railway Enterprises Limited

Notes to the financial statements For the year ended 31 October 2022

	2022	2021
	£	£
Allotted, called up and fully paid		
7 (2021 - 7) Ordinary shares of £1.00 each	<u>7</u>	<u>7</u>

7. Financial commitments, guarantees and contingent liabilities

The Company has provided a guarantee in favour of CAF Bank for the borrowings of the Parent Company. The outstanding borrowings at 31 October 2022 amount to £297,112 (2021: £300,518).

8. Controlling party

The Company is a wholly-owned subsidiary of The Kent and East Sussex Railway Company limited, a company incorporated in England and Wales. Accordingly, advantage is taken of the exemption provided by paragraph 1A C.35 of FRS 102 in relation to related party disclosures. The Kent and East Sussex Railway Company Limited is a registered charity (Registration No. 262481).

The Kent and East Sussex Railway Company Limited is the parent of the smallest and largest group for which consolidated accounts are prepared and of which the Company is a member. Copies of the consolidated accounts can be obtained from the Charity's registered office: Tenterden Town Station, Tenterden, Kent, TN30 6HE.

Colonel Stephens Railway Enterprises Limited

Detailed profit and loss account For the year ended 31 October 2022

	2022 £	2021 £
Turnover	577,965	364,645
Cost Of Sales	(514,275)	(338,209)
Gross profit	63,690	26,436
Gross profit %	11.0 %	7.2 %
Other operating income	-	16,392
Less: overheads		
Administration expenses	(16,715)	(15,502)
Establishment expenses	(8,395)	(5,041)
Profit for the year	38,580	22,285

Colonel Stephens Railway Enterprises Limited

Schedule to the detailed accounts For the year ended 31 October 2022

	2022 £	2021 £
Turnover		
Wealden Pullman and Sunday lunches	288,771	210,764
Buffet and catering	212,058	109,476
Gift shop takings	66,659	42,257
Railway experience days	10,477	2,148
	<u>577,965</u>	<u>364,645</u>
	2022 £	2021 £
Cost of sales		
Wealden Pullman purchases and expenses	77,615	45,516
Buffet purchases and expenses	99,605	36,472
Wages and salaries	118,497	59,395
Staff pension costs	2,102	1,109
Gift shop purchases and expenses	26,439	19,707
Consumable tools	877	-
Train charter costs and fares	189,140	176,010
	<u>514,275</u>	<u>338,209</u>
	2022 £	2021 £
Other operating income		
Government grants	-	16,392
	<u>-</u>	<u>16,392</u>
	2022 £	2021 £
Administration expenses		
Printing, posting and stationery	57	434
Auditors' remuneration	9,000	8,975
Bank charges	760	470
Credit card charges	6,898	5,623
	<u>16,715</u>	<u>15,502</u>
	2022 £	2021 £
Establishment		
Light and heat	3,144	1,180
Repairs and maintenance	5,251	3,861
	<u>8,395</u>	<u>5,041</u>