

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 2025

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

Financial Headlines
for the year ended 31 October 2025

- The Company's consolidated income for the year ended 31st October 2025 was £2,651,487 compared with £2,566,901 in 2024.
- The Company recorded a net consolidated surplus of £75,982 in 2025 compared with a deficit of £124,724 in 2024 (page 42).
- Colonel Stephens Railway Enterprises Ltd, the wholly owned trading subsidiary, which includes all the commercial activities, achieved sales of £740,695 compared with £821,002 in the previous year and a pre charitable donation profit of £128,563 compared with a profit of £142,640 in 2024 (page 45).
- The total net cash in the balance sheet at the year-end was £461,552 compared with £262,103 in 2024 (see below).
- Total visitor numbers during the year decreased by 6.6% (see below).

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

	2025	2024	2023	2022	2021	2020
CAF Bank Loan	(138,914)	(182,763)	(222,690)	(260,749)	(300,518)	(339,936)
Other Loans	(6,133)	(16,459)	(26,534)	(36,363)	(55,012)	(79,000)
Total Capital	<u>(145,047)</u>	<u>(199,222)</u>	<u>(249,224)</u>	<u>(297,112)</u>	<u>(355,530)</u>	<u>(418,936)</u>
Cash at Bank and In Hand	606,599	461,325	607,222	802,684	1,119,680	495,018
Total Net Cash / (Debt)	<u>461,552</u>	<u>262,103</u>	<u>357,998</u>	<u>505,572</u>	<u>764,150</u>	<u>76,082</u>

The figures for cash include Advance Bookings.

Visitor Numbers

	2025	2024	2023	2022	2021	2020
Service Trains /	61,409	65,902	60,889	56,664	35,210	30,362
Pullman and other evening trains	3,793	3,922	3,163	2,937	2,087	647
	<u>65,202</u>	<u>69,824</u>	<u>64,052</u>	<u>59,601</u>	<u>37,297</u>	<u>31,009</u>

Platform Tickets = 2,918 in 2025 (2024: 2,699)

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

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for the year ended 31 October 2025**

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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 2025

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:

D J Bilsby 1 Chairman
S A Marsh 1
I C Legg 1 Finance Director
G A Crouch (resigned 25 January 2025, deceased 4 April 2025)
P D Shaw 1 (retired 2 November 2024)
M J Hyner
D J Nibloe (resigned 1 November 2025)
N D Sime
P E Vidler
R M White
A Papworth (resigned 1 November 2025)
J Wilkinson 1

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

M Jenner - Company Secretary (assigned 28 June 2025)
J Cobbett - Company Secretary (resigned 28 June 2025)
D Raimbach - Assistant Company Secretary

Senior management team

R Coombes (General Manager) (resigned 2 January 2026), A Freeman (Commercial Manager), P Salmon (Operations Manager), A Brice (C&W Delivery Manager), M Gooch (Pullman Manager), M deCol (Accountant)

Independent auditor

Kreston Reeves Audit LLP, Statutory Auditor, 2nd Floor, Maritime Place, Quayside, Chatham Maritime, Chatham, Kent, ME4 4QZ

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

2024/2025 Annual Report

Headlines

- The charities consolidated income for the year ending 31st October 2025 was £2.651m compared with £2.567m in 2024.
- The charity recorded a net consolidated surplus of £75,982 in 2025 compared with a deficit in 2024 of £124,724.
- This improvement was from rigorous cost control and, in a difficult trading year, by significant funding from legacies, members and supporting organisations. £334,271 in 2025 compared to £255,441 in 2024.
- Cash in the balance sheet on 31st October was £606,599 compared to £461,325 at the end of 31st October 2024.
- Debt continues to fall, on 31st October 2025 it was £145,047 compared to £199,222 in 2024.

Chairman's Report

Planning has started in earnest on the strategy to extend the railway to Robertsbridge in 2028 which requires three key elements to be delivered: Sustainability, Resilience, and Reliability.

In the 2024/2025 fiscal year, sustainability was the focus. This required decisive action to stabilise the charity finances. This has been achieved, but there is still work to be done throughout the coming year and beyond.

To improve the ongoing resilience of our finances, two key groups have been established.

The first is a Finance Review Group which has a remit to control and monitor the charity finances on a month-by-month basis, taking corrective action where necessary to ensure adherence to the budget.

The second is a Fundraising Working Group who will seek funding through appeals and grants to finance capital projects approved by the Trustees.

To consolidate our first-year strategic achievements, the drive to improve sustainability and resilience across the business will continue, and a tough but realistic budget for the coming year has been agreed.

Key to delivering resilience is a stable financial foundation upon which the future can be built. Improved productivity and staff and volunteer well-being will be essential ingredients to achieving the operational and financial resilience the railway needs.

There is much that needs to be done, but as a start; in the coming year, 'Mileage Based Maintenance' will be introduced for the carriage fleet, this will reduce costs and improve availability to meet the commercial requirements of the train service. Importantly it will also reduce delivery pressures on our engineering staff and volunteers.

With grant funding and a contribution by the charity, there was a solid business case for installing solar panels to the Carriage & Wagon Workshop. This is a strategically important contribution to our environmental sustainability programme while reducing our energy costs and will be progressed in the coming year. Several other initiatives are in the pipeline for which business cases will need to be developed.

Ways to improve our locomotive maintenance and restoration capability are being investigated. This will enable us to reduce our reliance on expensive commercially hired locomotives, but this requires other aspects to be considered.

The net effect will be a positive contribution to our profitability, providing a more sustainable and resilient funding vehicle for long term locomotive maintenance and overhauls. Our research indicates

this will contribute to improved financial sustainability, resilience and product reliability in the longer term for our railway.

Finally, improved commercial and operating planning processes which are progressively being introduced as part of the 'Getting Ready for Robertsbridge Project' will lock in sustainability, resilience and overall reliability for the future.

Charity Purpose

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. Importantly, it provides other well-being benefits for the volunteers themselves – including companionship, learning and a sense of belonging.

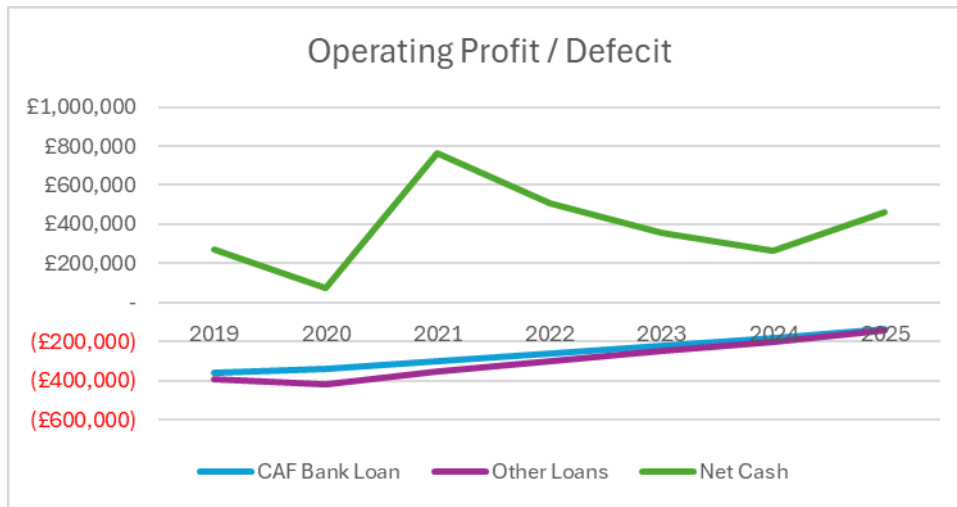
Finance Report

Commentary on figures

The charity made a surplus of £75,982 for the year, compared to a deficit in 2024 of £124,724. The Board recognised that the year would be difficult in terms of the recovery of cash reserves, economic trading conditions and a need to refresh the business in the light of evolving customer requirements. A challenging budget was set for the year, which although was not met through passenger income alone, was achieved with the addition of significant donations, legacies and a generous grant from the Rother Valley Railway. Alongside strict cost control, it meant the end of year position was improved.

Debt trend

The COVID “Bounce Back Loan” will be paid off in the 2025/26 year and the charity continues to pay off the Mortgage loan with CAF Bank at the rate of about £40,000 per year.



(Figures are cumulative).

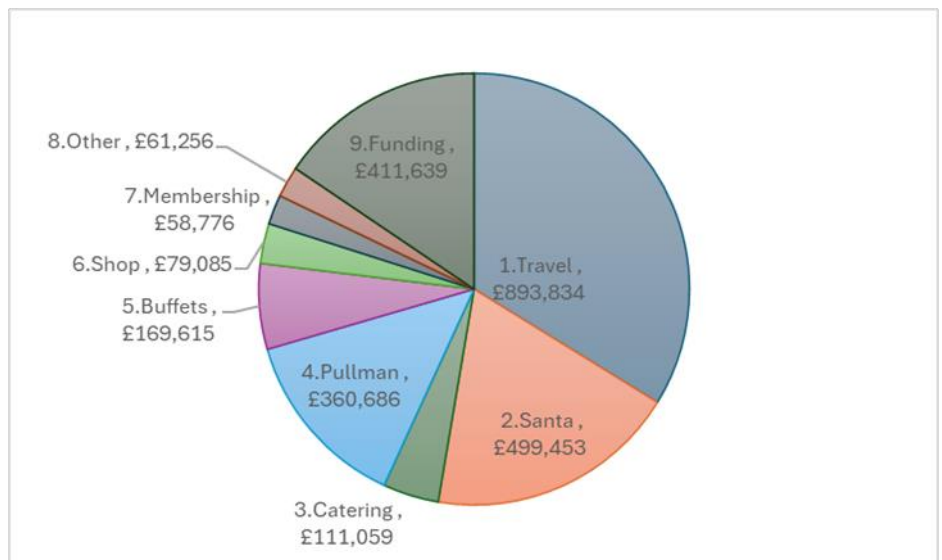
	2019	2020	2021	2022	2023	2024	2025
CAF Bank Loan	(£357,008)	(£339,936)	(£300,518)	(£260,749)	(£222,690)	(£182,763)	(£138,914)
Other Loans	(£34,000)	(£79,000)	(£55,012)	(£36,363)	(£26,534)	(£16,459)	(£6,133)
Debt	(£391,008)	(£418,936)	(£355,530)	(£297,112)	(£249,224)	(£199,222)	(£145,047)
Net Cash	£661,831	£495,018	£1,119,680	£802,684	£607,222	£461,325	£606,599
Total Net Cash / (Debt)	£270,823	£76,082	£764,150	£505,572	£357,998	£262,103	£461,552

Operating Income

The majority of the charities income is from passenger fares, including events such as 1940s.

Santa visits Tenterden in late November and December, bringing gifts worth 20% of the annual income. In 2024 the income was nearly the same as 2023. In 2025 Santa revenue will be £540,000.

Management attention in the coming year will be focused on catering and retail opportunities as both these areas have suffered recently from a decline in customer spend.



Fundraising

Funding was a major source of cash in 2024/25 with a significant legacy, a grant from the Rother Valley Railway and various appeals. Gift Aid on donations worth £31,831 were also received.

Fundraising activity was mainly focused on the restoration the Pannier 1638 as part of the Railway's 50th Anniversary. In 2024/25 donations and legacies were for:

Exceptional Items

Unfortunately, during 2025, the owners of No25 "Northiam" decided to sell their engine.

The charity was not in a position to buy it, so a reluctant farewell was said when the new owners eventually required it elsewhere. Historically it has been the charities policy to capitalise expenditure made on locomotives on long-term hire to the Railway for the life of their boiler ticket, typically 10 years. In the case of No 25, work had been done that had not been full depreciated, so when the locomotive left the Railway, the value of this work has had to be treated as an expense to the profit & loss account. It is a bookkeeping adjustment, not a cash item. The value of this is £25,096.

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 £64,198 to £1,449,912 (see Note 21). 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 increased by £11,899 to £1,533,759 and the purpose of these funds is detailed in Note 20 in the financial statements.

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

As of 31st October 2025, the Group had net current liabilities of £6,774, which include cash at bank and in hand of £606,599. 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 20.

Free reserves represent the Charity's unrestricted, undesignated funds that are freely available to support ongoing activities after excluding amounts invested in fixed assets and other non-distributable balances. At 31 October 2025, the Group's general unrestricted funds were £1,474,954. After deducting unrestricted tangible fixed assets of £1,836,008 and adding back bank loans outstanding of £138,914 relating to fixed asset projects, the Group's free reserves were approximately (£222,140). The trustees' minimum target is £150,000 (c. one month of base costs); on this basis the free reserves are approx £372,000 below the target. The trustees will keep the level of free reserves under active review in light of seasonal cash flows, advance bookings (deferred income) and restricted funds.

Going Concern

It is the trustee's opinion that the charity will break even in 2025/26. This is due to a strong start to the year with a good Santa and New Year period, coupled with: active fundraising; cost control; realistic budgets for modest passenger growth; increased focus on business-led decision-making, and new service offerings.

Safety & Operations Report

Accident & Incident statistics

The accident & incident figures for 2024/25 below show a slight reduction to those of the previous twelve months.

It should be noted that even when the public services are not running, there are numerous tasks being undertaken around the railway including infrastructure and rolling stock maintenance, event & service preparation, training and numerous managerial, supervisory and administrative duties. There are very few days in the year (with the exception of Christmas Day and Boxing Day) when the railway is closed completely.

	2023/24	2024/25	Change
Accidents	18	17	-6%
Incidents	31	32	-3%

The railway operated for less days in 2024/25 as illustrated in the accompanying table, this was in line with the strategy of more effective use of resources and to improve the overall train loading ratio. Despite this reduction in services, there were resource challenges on certain days because of the reduction in paid staff in order to save costs.

Operating Statistics

Operations	2022/23	2023/24	2024/25
Days run	228	240	192
Trains run	1,097	1,060	1,028
Miles run	19,344	19,452	18,942

Whilst the reduction in days run has some impact on the incident & accident statistics, there were a number of events

recording on non-running days including some minor staff accidents and several instances of trespass, particularly around the Tenterden site. It is thus not appropriate to directly adjust the accident and incident figures to reflect train running days.

Accidents and incidents are investigated in accordance with their severity as laid down in our Safety Management System. These investigations and the recommendations arising therefrom are then reviewed by the Safety Review Committee. There was some delay in certain investigations arising from resourcing issues and the management structure is being revised for the main part of the 2025/26 season to address these issues.

The Safety Review Committee was strengthened during the year with the welcome addition of members with emergency services experience which has improved the effectiveness of the committee with relation to audit and oversight of related activities.

Training and development of staff across the operations department continues in order to strengthen our volunteer resources and to replace capability lost through retirements and natural wastage. It is encouraging to see a number of very capable young people being promoted to positions of responsibility across the railway.

Commercial Report

The Commercial arm of the Company has focused on better defining visitor experiences to meet specific audience needs – and importantly, to understand the costs and impact of marketing and product delivery.

Improved control on marketing and event costs and a focus on understanding the return on investment has been a key initiative for this year. Monthly activity and impact reporting has enabled the team to focus on efficiency and given the Board confidence that the right activity with the right spend has resulted in appropriate visitor numbers.

A tiered approach to product management has been introduced, where Tier 1 products are scheduled much further in advance (Santa, Pullman, Groups, 1940s etc.), Tier 2 products (other key events e.g. Spellbound in the Autumn, fish and chip evening suppers and Murder Mystery evenings) planned in the medium term, and finally lower key events and normal running services to fit the calendar.

As the focus on products for key audiences is further defined, the ambition is to improve profitability by focusing on the best opportunities to achieve it – and therefore fund our charitable mission. Some

products have a much higher profit potential than others – for example, Santa is the flagship product for contribution to the business – and that funds lower (if any) profit margins on other products, such as delivering Evacuation Day Experiences for schools that meet charitable and educational objectives.

As well as delivering key events such as the 1940s weekend, opportunities to innovate remain key to the Company’s long-term success. This year, Murder Mystery evenings were introduced, and now evening Fish and Chip trains are run regularly, attracting 80-100 visitors each evening.

By adding value to the customer experience, the plan is to tap into markets where disposable income is more robust, especially as a drop has been seen – as in the sector overall – in “turn up and ride” traffic.

The Wealden Pullman evening dinner and Sunday lunch services continue to be booked almost to capacity. It appears the “special occasion” market spend is less impacted than the “family days out” budget.

The ‘systems’ needed to enable the delivery of events and marketing – website and booking system – are currently under review to ensure they are fit for purpose and are suitable for the reconnection to Robertsbridge.

Passengers carried

This year break down

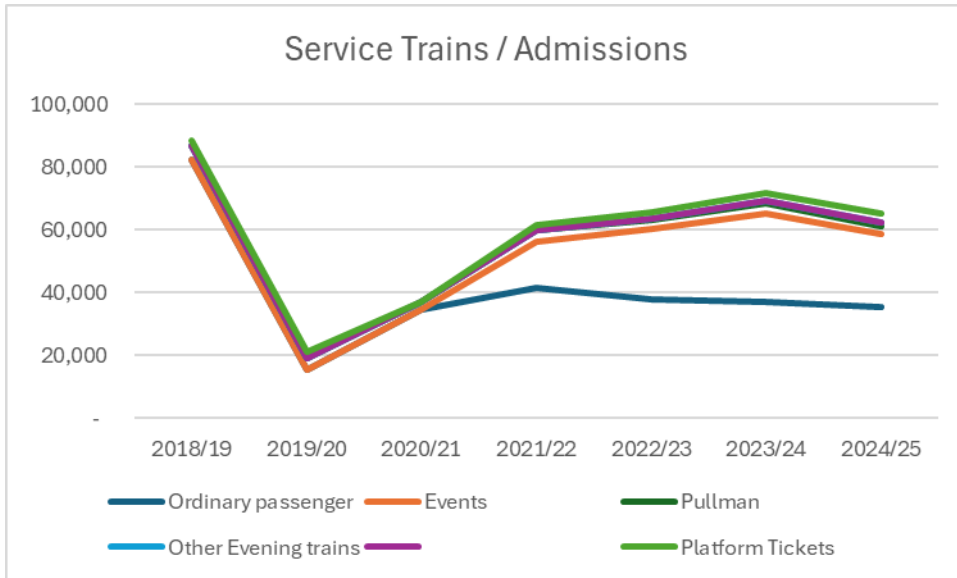
Financial Year	2023/2024 FY	2024/20 25 FY	change
Adult	13,655	12,183	-11%
Senior	10,743	13,002	21%
Family & Child	27,022	26,574	-2%
Group	10,786	4,194	-61%
Priv / Complimentary	3,567	3,462	-3%

This year has been particularly affected by a downturn in group business. A potential issue was identified in that the timetable for the year was published much later than usual. This has been addressed more recently by making dates available further in advance, as this market looks for dates 12, 18 – 24 months out. Additional marketing and focused customer support have now been put in place.

Trend

Household and disposable incomes continued to be hit by the cost-of-living crisis, with tourism market research indicating that people planned to take fewer days out this year.

Price promotions (“kids go free”, senior savers and summer holiday free-return-visits for locals) are all important initiatives to help those less well-off and secure a higher share of a contracted market. More recent results suggest days out intentions are improving.



(Cumulative, earlier years not reliably split by category)

Service Trains / Admissions	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Ordinary passenger	82,492	15,438	34,737	41,511	37,953	36,840	35,255
Events				14,716	22,224	28,322	23,236
Pullman	4,209	3,591	2,087	3,611	2,838	3,195	2,771
Other Evening trains					356	727	1,022
Platform Tickets	1,606	2,009		1,599	2,306	2,699	2,918
Visitor Numbers	88,307	21,038	36,824	61,437	-	71,783	65,202
Museum Visitors					13,768	14,840	14,827

Awards won

The Company achieved two awards from the Beautiful South Tourism Awards for Excellence. Event of the Year for 2025-2026 was won for the Dwarves of Steam Gala, sponsored by Rapido Trains. The Wealden Pullman achieved a Bronze award in the Restaurant of the Year category, confirming its already high reputation.

Other awards include being named Best Family Experience in Kent in the Muddy Stiletto Awards - entirely voted for by the public - and a 2025 TripAdvisor Travellers Choice Award for a second year in a row, once again placing the railway in the top 10 per cent of attractions to visit worldwide based on verified visitor reviews.

In other awards, Aodhan Kavanagh was voted Runner Up in the HRA (Heritage Railway Association) Young Volunteer of the Year award, and the railway was highly commended for Marketing and Communications for the 'Mr. Doodle' train collaboration that saw a local artist "wrap" a heritage railway carriage with his signature artwork.

Filming

The filming market, although occasional, can be lucrative and help raise awareness. Despite a small number of enquiries for film engagements this year, none came to fruition. A "Film Scout" day, led by a local coordinator, was well received.

Community Engagement

A number of opportunities were taken in the year to present K&ESR in the community – with stands at events including the Robertsbridge 800 celebration of their market charter; Rail Fare 200 in Lewes; the Inspiration Train in Margate; and the Ashford Works Open Day.

New registrants signed up to receive newsletters, new volunteers were recruited, and the railway improved its brand awareness in the community.

Evacuation events

Two sets of Evacuation Days were run this year, in May and September, attended by 13 schools and 598 children.

This was in part funded by the Terrier Trust who paid for Marners School to attend in May.

Environmental & Risk Report

Environment

K&ESR has developed and expanded its environmental and sustainability initiatives. It continues to protect and enhance the natural environment of the 10 ½ mile Green Corridor along the length of the railway, within the High Weald National Landscape.

Following comprehensive lineside surveys of breeding birds, butterflies, reptiles, water voles and bumble bees, a Biodiversity Enhancement Plan was produced by the Kent Wildlife Trust Consultancy and Bumblebee Conservation Trust. The surveys recorded 89 bird species, of which 17 (including Turtle Doves and Nightingales) are on the severely endangered Red List, and 15 bumblebee species, among them rare light ruderal types. In addition, bat surveys were undertaken at stations by Tenterden Wildlife.

The vegetation along the line is managed by the Forestry & Conservation team. A number of initiatives to support biodiversity and the local ecosystem were progressed on the land adjoining Rolvenden Carriage Storage Shed, including the planting of disease-resistant native elm trees donated by Kent County Council, the restoration of the drainage retention pond in collaboration with the Kentish Stour Countryside Partnership and creation of a wildflower meadow.

As part of the railway's educational initiatives, early morning bird watching trains were run along the line and an Explorers 'along the line' booklet for younger visitors was published. A YouTube 'Environment & Conservation' video was produced highlighting the railway's environmental initiatives and its partnership with Tenterden Wildlife. The railway has hosted and participated in the annual Tenterden Green Fun Day.

The railway has actively participated in local environmental policy, including the preparation of the Local Nature Recovery Strategies for both Kent (Making Space for Nature) and East Sussex, and involvement with the Rother & Romney Catchment Partnership. At a national level, K&ESR is represented on the Heritage Railway Association Environment Committee.

K&ESR recognises its position as a heritage railway with coal-fired steam trains, but also with a responsibility to pursue sustainability measures. These include using smaller engines, lighter loads, and shortening services to reduce fuel use, installing low-energy lighting and pursuing solar power generation. Enhanced recycling of waste, including food, has been introduced.

Risk

The charity identifies and manages risk across all its business operations. These include safety, health, financial, legislative, planning, regulatory, environmental, corporate, and behavioural risks.

Significant risks were reported to the Board by the General Manager and now by the Executive Steering Group members.

The Risk & Compliance Committee also reports to the Board and maintains an overview across business of significant risks within the organisation and ensures these are encapsulated in the risk register and, as far as is possible, mitigated in charity policies or standards. The committee ensures at a strategic level that control measures are in place and that change management arrangements are suitable and sufficient to address the various areas of risk, including organisational change.

People Report

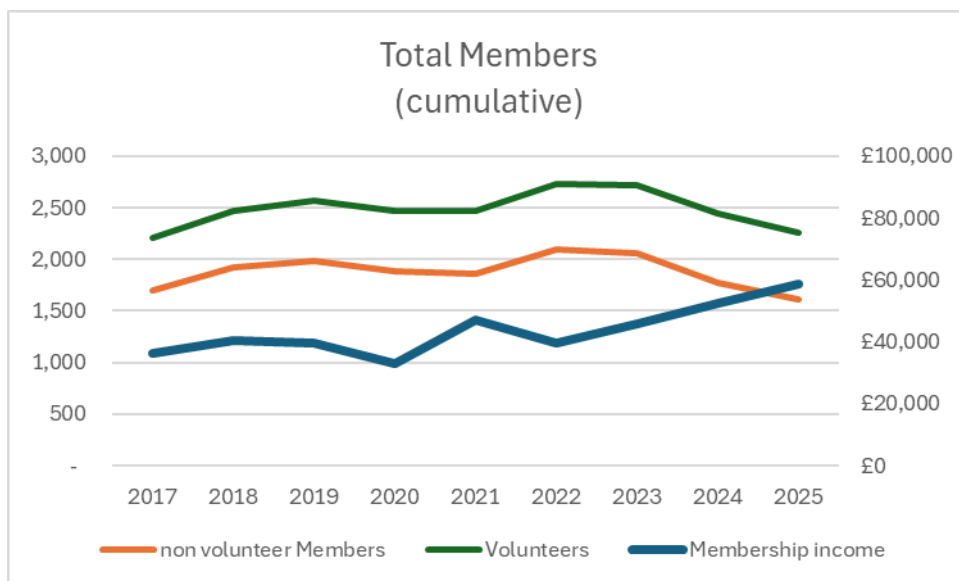
The success of the Railway continues to be driven by the passion, commitment and dedication of the volunteers, staff, and wider membership community. Over the past year, the focus has been on strengthening recruitment and engagement. A review of training and development across the organisation has been started to improve the support and wellbeing of staff and volunteers.

Recruitment

This year saw continued efforts to attract new volunteers across operational, commercial and engineering roles. Recruitment campaigns emphasised the unique heritage value of the railway, the wide range of skills involved, and the sense of community that volunteering provides. Initiatives to raise awareness both locally and regionally has also supported a steady growth in volunteer enquiries and successful onboarding across several departments. This year we have had 226 expressions of interests with 178 new volunteers inducted.

Membership

Membership remains a cornerstone of the railway’s supporter base. Over the past year, renewed focus on member engagement—through improved communication, and increased visibility of member benefits—has helped stabilise overall membership numbers. Enhanced digital communication channels have ensured that members stay informed and connected, while targeted campaigns encouraged lapsed members to rejoin and new supporters to come onboard.



Membership income has risen due to increases put in place to keep pace with inflation and the cost of fares.

The proportion of volunteers of the overall membership has increased over the last couple years at 29%, up from the historical figure of 24%.

31st October	2017	2018	2019	2020	2021	2022	2023	2024	2025
non volunteer Members	1,692	1,917	1,984	1,882	1,856	2,098	2,054	1,767	1,612
Volunteers	520	549	581	585	617	628	659	674	649
Total	2,212	2,466	2,565	2,467	2,473	2,726	2,713	2,441	2,261
Volunteer rate	24%	22%	23%	24%	25%	23%	24%	28%	29%

A typical volunteer is rostered 22 days each year, this has been constant since 2022.

Training and Development

Ensuring that people are equipped with the right skills remains a key operational priority. This year saw a review of the training provision including operational competencies, safety-critical qualifications, customer service development and heritage skills. Looking ahead the focus will be on working to improve on the provision of and access to training across the Railway, and to reduce bottlenecks in progression.

Wellbeing

The wellbeing of volunteers and staff is central to maintaining a positive and sustainable working environment. This has included social events and a train for those volunteers with 50 years or more service. There has also been progress in improving timetable and roster planning, so that staff and volunteers can plan their time well ahead, and to reduce the need for short notice changes in the peak operating season.

Governance Report

The Board of Directors (also known as Trustees) (the Board) is responsible for making policy, ensuring the group of companies comply with legislation and regulatory requirements, providing resources to ensure the safe and successful operation of the business, and for discharging the charities charitable obligations.

The 100% trading subsidiary of K&ESR, Colonel Stephens Railway Enterprises Ltd, has its own Board of Directors and meetings may happen simultaneously with those of the K&ESR Board and involving the Board members of both Companies.

The Chairman is responsible for the efficient operation of the Board including leadership of Board and other charity meetings and ensuring that the Board delivers its statutory duties.

From January 2026, following the removal of the General Manager role, six of the K&ESR Board directors have assumed executive responsibility for the business, with the other two being non-executive directors.

Selection, Election and Training of Trustees

It is essential that that the Board has the right mix of skills and experience, and that individual members have the skills and experience necessary to be trustees and directors (not senior managers) of the enterprise, which is both a registered charity and a medium-sized business.

It has therefore been decided to establish a Nominations Committee, chaired by the Company Secretary and comprising at least the two non-executive directors, to identify and evaluate prospective appointments to the Board based on merit and relevant skills and experience as measured against criteria specified by the Board for such appointments.

This is to bring the governance of what is a complex organisation operating in challenging circumstances into line with best practice and modern expectations. Other heritage railways are going down the same route.

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.

Post Year End Management Changes

Given the difficult financial situation, the business needed to consider all costs carefully for the 2025/26 year. Accordingly, the post of General Manager was replaced by a team of volunteer Executive Directors as follows:

- Locomotives & Carriages, Infrastructure & HR - Derrick Bilsby
- Safety & Operating - Neil Sime
- People Development & Co-ordination - Matt Hyner
- Commercial & Catering, Marketing, Communications & Events - Julie Wilkinson
- Finance & Purchasing - Ian Legg
- Estates - Paul Vidler

Regular meetings of the Executive Group and weekly Leadership Team meetings take place to coordinate the work of the various departments.

Restoration of Heritage Assets Report

Progress on the restoration of heritage assets has been limited by the available funds and volunteer efforts. However, thanks to some successful fund raising, several projects have progressed:

The Tenterden Station Buildings, in part, date from the original opening of the railway and work to renovate the various buildings has been completed. The replacement of timber on the Signal Box has been delayed but will be scheduled once the weather permits.

The Ford Locomotive owners' group is currently funding the repair of this historic asset, believed to be the oldest diesel electric loco in Britain. The renovation will be carried out in two stages; the first to return the loco to operation and the second, to return it as close as possible to its original condition. The work is being carried out by a small group of volunteers, and this is expected to constrain progress.

After many years of effort and planning, the Great Western Railcar (GWR) is moving towards completion which is expected to happen in late 2026. All the body metalwork has been completed by a contractor, the interior fit out, with new flooring, reupholstered seats, new heating systems and many other renovations is close to completion. Trial runs of the engines and their controls will be carried out with a view to commencing test running and driver training in mid 2026.

The 1638 Great Western Pannier Steam Locomotive was sent to Leaky Finders in Devon for remedial work on the chassis. On disassembly, the condition of the loco was assessed, and it was agreed that a full overhaul should be carried out to ensure that the loco returns to the KESR with a full 10-year boiler ticket. The cost of this overhaul is substantial, and the 1638 Appeal was launched to fund the work (this loco is owned by the KESR). The overhaul work was delayed during COVID due to the uncertainty regarding funding and revenue during that period. The overhaul work has been broken down into work packages which will be authorised as funds become available. Due to the constraints of the need for fundraising, it is not possible to estimate a return date for this loco as yet.

The Northiam Footbridge was recovered from Tovil, near Maidstone, and has been in store at Wittersham Road Station for about 10 years while awaiting the resources to plan and fund its

restoration. The service planning carried out as part of the preparations for opening the extension to Robertsbridge indicated that passenger travel will be likely to either return to their starting point from Northiam or will need to change trains there. This has supported a business model for the installation of the bridge at Northiam. Grant funding from the Railway Heritage Trust has been obtained which will fund the initial condition assessment of the bridge and some of the remediation and transport costs. Further fundraising will be required to fund the modification and erection of the bridge. Currently the bridge is at an engineering company being assessed, and estimates will be prepared to inform the funding requirements for this work.

Outlook for 2025/26 Year

Santa Season

12,800 passengers were carried over 9 days on 59 trains with an income of £535,600 from fares, catering and the shop. Expenses were £186,100 allowing a very healthy net contribution to the overheads of £334,700.

This was nearly the same volume as the 2024 season, but with a 10% improvement in income, and was ahead of budget.

Pre-bookings for the Year

At the time of writing this report in February 2026, advance bookings for Pullman services for the year are at £140,000, other evening special trains have £13,000 worth of bookings and experiences £4,000. Santa '26 is on sale already.

The very positive indicator for the 2026 main season, though, is that the level of Group bookings is about 25% higher than last year.

Budget 2025/26

The Budget for 2025/26 year is for a break-even position (pre-depreciation / funding), with an increase in both Capital and Operational spending on Permanent Way and on Carriages. Difficult decisions will continue to be needed to ensure money is only spent as it is earned through better-than-budgeted trading.

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 2025

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 2024 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 2024 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 2025

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.

Independent auditor's report to the Members of the Kent and East Sussex Railway Company Limited
For the year ended 31 October 2025

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:

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.

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 2025

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 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.

James Peach FCA (Senior statutory auditor)

for and on behalf of

Kreston Reeves Audit LLP

Chartered Accountants

Chatham Maritime

Date:

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 2025

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Note				
Income from:				
Donations	24,070	64,613	88,683	131,569
Legacies	186,812		186,812	71,508
Gift aid	31,831		31,831	23,402
Membership subscriptions	58,776		58,776	52,364
Other grants	100,680		100,680	-
Charitable activities	1,441,779		1,441,779	1,468,694
Other trading activities	740,695		740,695	820,958
Interest	626		626	556
Share of associate net income	1,605		1,605	(2,150)
Total income	<u>2,586,874</u>	<u>64,613</u>	<u>2,651,487</u>	<u>2,566,901</u>
Expenditure on:				
Raising funds	415,338	-	415,338	469,743
Charitable activities	2,099,207	60,960	2,160,167	2,221,882
Total expenditure	<u>2,514,545</u>	<u>60,960</u>	<u>2,575,505</u>	<u>2,691,625</u>
Net income/(expenditure)	<u>72,329</u>	<u>3,653</u>	<u>75,982</u>	<u>(124,724)</u>
Transfers between funds	34,635	(34,635)	-	-
Net movement in funds	<u>106,964</u>	<u>(30,982)</u>	<u>75,982</u>	<u>(124,724)</u>
Reconciliation of funds:				
Total funds brought forward	21	1,385,714	1,521,860	2,907,574
Net movement in funds attributable to the parent		107,077	(30,982)	76,095
Total funds		<u>1,492,791</u>	<u>1,490,878</u>	<u>2,983,669</u>
Non-controlling interest brought forward	19	115,675	-	115,675
Non-controlling interest movement in the year	19	(113)	-	(113)
		<u>1,608,353</u>	<u>1,490,878</u>	<u>3,099,231</u>
			<u>3,099,231</u>	<u>3,023,249</u>

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 23 to 49 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 2025

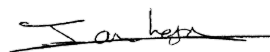
	Note	2025 £	2024 £
Fixed assets			
Intangible assets	12	-	-
Tangible assets	13	3,168,159	3,305,180
Heritage assets	13	16,511	16,511
Investments	14	12,809	11,204
		<u>3,197,479</u>	<u>3,332,895</u>
Current assets			
Stocks	15	33,350	31,297
Debtors	16	168,381	138,119
Cash at bank and in hand	26	606,599	461,325
		<u>808,330</u>	<u>630,741</u>
Creditors: amounts falling due within one year	17	<u>(815,104)</u>	<u>(801,284)</u>
Net Current Assets/(Liabilities)		<u>(6,774)</u>	<u>(170,543)</u>
Total assets less current liabilities		3,190,705	3,162,352
Creditors: amounts falling due after more than one year	18	(91,472)	(139,103)
Net assets		<u><u>3,099,233</u></u>	<u><u>3,023,249</u></u>
Charity funds			
Restricted funds	20	1,533,759	1,521,860
Unrestricted funds	21	1,449,912	1,385,714
Total funds		<u>2,983,671</u>	<u>2,907,574</u>
Non-controlling interests	19	115,562	115,675
		<u><u>3,099,233</u></u>	<u><u>3,023,249</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 and signed on their behalf by:



D J Bilsby
Chairman



I C Legg
Trustee

The notes on pages 23 to 49 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 2025

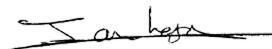
	Note	2025 £	2024 £
Fixed assets			
Tangible assets	13	2,961,392	3,100,202
Heritage assets	13	16,511	16,511
Investments	14	148,660	147,055
		<u>3,126,563</u>	<u>3,263,768</u>
Current assets			
Debtors	16	226,072	135,451
Cash at bank and in hand		492,383	429,183
		<u>718,455</u>	<u>564,634</u>
Creditors: amounts falling due within one year	17	<u>(724,992)</u>	<u>(735,185)</u>
Net current liabilities		<u>(6,537)</u>	<u>(170,551)</u>
Total assets less current liabilities		3,120,026	3,093,217
Creditors: amounts falling due after more than one year	18	(91,472)	(139,103)
Net assets		<u>3,028,554</u>	<u>2,954,114</u>
Charity funds			
Restricted funds	20	1,533,759	1,521,860
Unrestricted funds	21	1,494,795	1,432,254
Total funds		<u>3,028,554</u>	<u>2,954,114</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 and signed on their behalf by:



D J Bilby
Chairman



I C Legg
Trustee

The notes on pages 23 to 49 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 2025

	2025 £	2024 £
Cash flows from operating activities		
Net cash used in operating activities (note 25)	<u>251,444</u>	<u>61,343</u>
Cash flows from investing activities		
Purchase of tangible fixed assets	(51,951)	(157,282)
Net cash used in investing activities	<u>(51,951)</u>	<u>(157,282)</u>
Cash flows from financing activities		
Repayments in borrowing	(54,175)	(50,002)
Net cash provided by / (used in) financing activities	<u>(54,175)</u>	<u>(50,002)</u>
Changes in cash and cash equivalents in the year	145,318	(145,941)
Cash and cash equivalents at the beginning of the year	461,281	607,222
Cash and cash equivalents at the end of the year (note 26)	<u><u>606,599</u></u>	<u><u>461,281</u></u>

The notes on pages 23 to 49 form part of these financial statements.

Notes to the financial statements
for the year ended 31 October 2025

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), the Charities Act 2011, 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, and the Company's controlling interest in 6619 Limited. The results of the subsidiaries are consolidated on a line by line basis.

The financial statements are presented in UK pound sterling, which is the Charity's functional currency, and rounded to the nearest pound.

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 and Robertsbridge 20/20 Limited. In addition the Charity owns 53.75% of 6619 Limited, which is consolidated on a line by line basis, and also has an associated company, Tenterden Railway Company Limited. 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

It is the Trustee's opinion that the Group will break even in 2025/26. This is due to a strong start to the year with a good Santa and New Year period, coupled with: active fundraising; cost control; realistic budgets for modest passenger growth; increased focus on business-led decision-making; and new service offerings.

The Trustees have provided assurances to suggest the Group will continue to operate for a period of 12 months from the date of signature of these financial statements.

Notes to the financial statements
for the year ended 31 October 2025

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 2025

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

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	0% (where under restoration) / 2% / 10% straight line
Plant	10% straight line
Furniture and equipment	10% / 25% / 33% straight line
Motor vehicles	25% 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 2025

2 Accounting policies (continued)

2.9 Heritage assets

Since April 2011 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. Many of the 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 13. 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.

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 2025

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 2025

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 2025

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 value.

Notes to the financial statements
for the year ended 31 October 2025

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 31.10.2025	Year Ended 31.10.2024
	£	£
Gross income	2,234,607	2,090,219
Total expenditure on charitable activities	(1,975,972)	(2,031,955)
Cost of raising funds	(171,737)	(174,313)
Interest payable and similar charges (net of interest received)	(12,458)	(17,404)
Net income/(expenditure)	74,440	(133,453)
Total funds brought forward	2,954,114	3,087,567
Total funds carried forward	3,028,554	2,954,114
Represented by:		
Restricted income funds	1,533,759	1,521,860
Unrestricted income funds	1,494,795	1,432,254
	3,028,554	2,954,114

Notes to the financial statements
for the year ended 31 October 2025

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:

	Year Ended 31.10.2025	Year Ended 31.10.2024
	£	£
Summary of profit and loss account		
Turnover	740,695	821,002
Cost of sales and administration expenses (including group recharges)	(612,132)	(678,362)
Net (loss)/profit	128,563	142,640
Payments to charity - deed of covenant	(128,563)	(142,640)
Retained in subsidiary	-	-

Colonel Stephens Railway Enterprises Limited paid the Charity £195,300 in respect of train charter charges during the year (2024 - £201,680).

The assets and liabilities of the subsidiary were:

	As at Year Ended 31.10.2025	As at Year Ended 31.10.2024
	£	£
Current assets	154,713	90,671
Creditors: amounts falling due within one year	(154,706)	(90,664)
Aggregate of share capital and reserves	7	7

The Kent and East Sussex Railway Company Limited
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Notes to the financial statements
for the year ended 31 October 2025

6 Analysis of expenditure on charitable activities

	Year Ended 31.10.2025 Unrestricted funds £	Year Ended 31.10.2025 Restricted funds £	Year Ended 31.10.2025 Total funds £
Locomotive and rolling stock operating expenses	734,552	23,142	757,694
Permanent way and building upkeep	42,520	-	42,520
Insurance costs	76,218	-	76,218
Rent and rates	6,703	-	6,703
Salaries and wages	428,407	-	428,407
Event expenses	247,192	-	247,192
Depreciation	148,129	37,818	185,947
Museum expenses	15,880	-	15,880
Support costs (note 7)	171,057	-	171,057
Governance costs (note 8)	44,357	-	44,357
	1,915,015	60,960	1,975,975

	Year Ended 31.10.2024 Unrestricted funds £	Year Ended 31.10.2024 Restricted funds £	Year Ended 31.10.2024 Total funds £
Locomotive and rolling stock operating expenses	852,302	41,173	893,475
Permanent way and building upkeep	28,968	-	28,968
Insurance costs	79,698	-	79,698
Rent and rates	6,453	-	6,453
Salaries and wages	439,363	-	439,363
Event expenses	175,305	-	175,305
Depreciation	130,903	38,163	169,066
Museum expenses	20,529	-	20,529
Support costs (note 7)	176,239	-	176,239
Governance costs (note 8)	41,069	-	41,069
	1,950,829	79,336	2,030,165

The Kent and East Sussex Railway Company Limited
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Notes to the financial statements
for the year ended 31 October 2025

7 Allocation of support costs

	Year Ended 31.10.2025 Operation of railway £	Year Ended 31.10.2025 Costs of raising funds £	Year Ended 31.10.2025 Total funds £
Administrative salaries etc.	84,175	81,220	165,395
Advertising and publicity	34,741	34,741	69,482
Telephone, postage and stationery	6,516	6,516	13,032
Membership, magazine printing and distribution	-	14,232	14,232
Office and other expenses	20,668	20,172	40,840
Training	20,687	-	20,687
Depreciation	4,270	543	4,813
	171,057	157,424	328,481

	Year Ended 31.10.2024 Operation of railway £	Year Ended 31.10.2024 Costs of raising funds £	Year Ended 31.10.2024 Total funds £
Administrative salaries etc.	86,634	83,591	170,225
Advertising and publicity	39,356	39,356	78,712
Telephone, postage and stationery	6,263	6,263	12,526
Membership, magazine printing and distribution	-	15,661	15,661
Office and other expenses	18,953	18,953	37,906
Training	18,689	-	18,689
Depreciation	6,344	807	7,151
	176,239	164,631	340,870

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Notes to the financial statements
for the year ended 31 October 2025

8 Governance costs

	Year Ended 31.10.2025 Operation of railway £	Year Ended 31.10.2025 Costs of raising funds £	Year Ended 31.10.2025 Total funds £
Audit fees	10,625	10,625	21,250
Legal and professional fees	1,776	1,776	3,551
Bank, loan and credit card fees and charges	31,957	1,913	33,869
	44,357	14,313	58,670

	Year Ended 31.10.2024 Operation of railway £	Year Ended 31.10.2024 Costs of raising funds £	Year Ended 31.10.2024 Total funds £
Audit fees	6,453	6,453	12,906
Legal and professional fees	1,483	1,483	2,966
Bank, loan and credit card fees and charges	33,133	1,746	34,879
	41,069	9,682	50,751

9 Interest payable and similar charges

	Year Ended 31.10.2025 £	Year Ended 31.10.2024 £
Interest on bank loan repayable	12,458	17,404

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Notes to the financial statements
for the year ended 31 October 2025

10 Staff costs

	Group 2025 £	Group 2024 £	Company 2025 £	Company 2024 £
Wages and salaries	681,032	716,707	539,956	559,577
Social security costs	58,747	52,973	44,027	40,320
Other pension costs	12,743	12,839	9,819	9,691
	752,522	782,519	593,802	609,588

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

	2025 No.	2024 No.
Office, management and commercial	22	24
Maintenance, restoration and operation	3	4
	25	28

The corresponding average monthly headcount expressed was:

	2025 No.	2024 No.
	33	48

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2025 No.	2024 No.
In the band £60,001 - £70,000	1	1

The Trustees received no remuneration or benefits in kind for the year ended 31 October 2025 (2024 - £Nil).

Expenses of £415 (2024 - £1,316) were reimbursed to 2 Trustees during the year (2024 - 3) in relation to meeting costs.

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 2025 was £267,056 (2024 - £273,526).

**Notes to the financial statements
for the year ended 31 October 2025**

11 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 £12,743 (2024 - £12,839). At 31 October 2025 there were outstanding pension contributions of £Nil (2024 - £2,389).

12 Intangible assets

Group

	Goodwill
	£
Cost	
At 1 November 2024	8,307
At 31 October 2025	<u>8,307</u>
Amortisation	
At 1 November 2024	8,307
At 31 October 2025	<u>8,307</u>
Net book value	
At 31 October 2025	-
At 31 October 2024	<u>-</u>

Notes to the financial statements
for the year ended 31 October 2025

13 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 £
Cost or valuation						
At 1 November 2024	3,644,724	2,453,103	330,001	203,048	1,100	6,631,976
Additions	-	42,404	7,037	2,510	-	51,951
Disposals	-	(96,710)	-	(495)	-	(97,205)
At 31 October 2025	<u>3,644,724</u>	<u>2,398,797</u>	<u>337,038</u>	<u>205,063</u>	<u>1,100</u>	<u>6,586,722</u>
Depreciation						
At 1 November 2024	1,710,193	1,182,483	242,157	191,275	688	3,326,796
Charge for the year	79,565	65,722	13,501	4,813	275	163,876
Depreciation on disposal	-	(71,614)	-	(495)	-	(72,109)
At 31 October 2025	<u>1,789,758</u>	<u>1,176,591</u>	<u>255,658</u>	<u>195,593</u>	<u>963</u>	<u>3,418,563</u>
Net book value						
At 31 October 2025	<u>1,854,966</u>	<u>1,222,206</u>	<u>81,380</u>	<u>9,470</u>	<u>137</u>	<u>3,168,159</u>
At 31 October 2024	<u>1,934,531</u>	<u>1,270,620</u>	<u>87,844</u>	<u>11,773</u>	<u>412</u>	<u>3,305,180</u>

Notes to the financial statements
for the year ended 31 October 2025

13 Tangible fixed assets (continued)

Charity

	Freehold land, permanent way, bridges & buildings £	Railway locomotive and rolling stock (including expenditure on hired items) £	Plant £	Furniture & equipment £	Motor vehicles £	Total £
Cost or valuation						
At 1 November 2024	3,734,173	2,203,103	330,001	203,048	1,100	6,471,425
Additions	-	42,404	7,037	2,510	-	51,951
Disposals	-	(96,710)	-	(495)	-	(97,205)
At 31 October 2025	3,734,173	2,148,797	337,038	205,063	1,100	6,426,171
Depreciation						
At 1 November 2024	1,754,620	1,182,483	242,157	191,275	688	3,371,223
Charge for the year	81,354	65,722	13,501	4,813	275	165,665
Depreciation on disposals	-	(71,614)	-	(495)	-	(72,109)
At 31 October 2025	1,835,974	1,176,591	255,658	195,593	963	3,464,779
Net book value						
At 31 October 2025	1,898,199	972,206	81,380	9,470	137	2,961,392
At 31 October 2024	1,979,553	1,020,620	87,844	11,773	412	3,100,202

Notes to the financial statements
for the year ended 31 October 2025

13 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 and one who is appointed by the Colonel Stephens Railway Enterprises Ltd Board on an annual basis administers this collection. The museum had 14,827 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 models and 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 2024 and 31 October 2025	<u>16,511</u>

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

	31.10.2025	31.10.2024	31.10.2023	31.10.2022	31.10.2021	31.10.2020
	£	£	£	£	£	£
Purchases at cost	-	-	-	-	-	-

**The Kent and East Sussex Railway Company Limited
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**Notes to the financial statements
for the year ended 31 October 2025**

14 Fixed asset investments

Group	Investments in associates £
Market value	
At 1 November 2024	11,204
Share of associates profit /(loss)	1,605
At 31 October 2025	<u><u>12,809</u></u>
Historical cost	<u><u>10,000</u></u>

The investment of £12,809 (2024 - £11,204) represents the fair value of the Company's investment in Kent and East Sussex Railway Adventures Company Limited comprising 38 (2024 - 38) ordinary shares, therefore holding a percentage of 16.51% in the companies shares.

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. The investment cost is shown as £7.

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

iii). The investment costing £135,843 (2024 - £135,843) represents the Company's investment in 6619 Limited comprising 2,058 (2024 - 2,058) ordinary shares, which represents a 53.73% (2024 - 53.73%) interest. This company owns a former GWR locomotive with the same number.

Associates

i). Tenterden Railway Company Limited, the Company formerly known as The Kent & East Sussex Railway Company Limited, a company limited by guarantee and incorporated in England, also continues to be dormant. KESR has no financial interest in Tenterden Railway Company Limited, however both companies share directors.

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Notes to the financial statements
for the year ended 31 October 2025

14 Fixed asset investments (continued)

Company	Shares in group undertakings £	Investments in participating interests £	Total £
Market value			
At 1 November 2024	135,851	11,204	147,055
Share of associates profit /(loss)	-	1,605	1,605
At 31 October 2025	<u>135,851</u>	<u>12,809</u>	<u>148,660</u>
Historical cost	<u>135,851</u>	<u>10,000</u>	<u>145,851</u>

15 Stocks

	Group 2025 £	Group 2024 £	Company 2025 £	Company 2024 £
Goods for resale	<u>33,350</u>	31,297	-	-

16 Debtors

	Group 2025 £	Group 2024 £	Company 2025 £	Company 2024 £
Trade debtors	(66)	2,221	(66)	1,328
Amounts owed by group undertakings	-	-	64,838	-
VAT and gift aid	19,586	23,577	19,586	23,577
Prepayments and accrued income	148,861	112,321	141,714	110,546
	<u>168,381</u>	138,119	<u>226,072</u>	135,451

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Notes to the financial statements
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17 Creditors: amounts falling due within one year

	Group	Group	Company	Company
	2025	2024	2025	2024
	£	£	£	£
Bank loans	53,575	60,119	53,575	60,119
Trade creditors	174,085	150,330	158,078	141,796
Amounts due to group undertakings	-	-	-	24,565
Other taxation and social security	31,274	18,810	27,142	12,789
Accruals and deferred income	556,170	572,025	486,197	495,916
	815,104	801,284	724,992	735,185

	Group	Group	Company	Company
	2025	2024	2025	2024
	£	£	£	£
Deferred income				
Deferred income at 1 November 2024	499,913	509,988	435,829	413,080
Resources deferred during the year	503,358	499,913	437,199	435,829
Amounts released from previous periods	(499,913)	(509,988)	(435,829)	(413,080)
Deferred income at 31 October 2025	503,358	499,913	437,199	435,829

Notes to the financial statements
for the year ended 31 October 2025

18 Creditors: amounts falling due after more than one year

	Group 2025	Group 2024	Company 2025	Company 2024
	£	£	£	£
Bank loans	91,472	139,103	91,472	139,103

Included within the above are amounts falling due as follows:

	Group 2025	Group 2024	Company 2025	Company 2024
	£	£	£	£
Due in two to five years				
Bank loans	91,472	139,103	91,472	139,103
Over five years				
Bank loans	-	-	-	-

The current portion of the secured loan amounts to £47,442 (2024 - £43,660) and this is included under creditors falling due within one year. The CAF Bank loan which commenced in August 2013 is repayable in monthly instalments of £4,735 (at year end date), and interest is charged at a rate of 3.0% per annum over bank base rate. The total outstanding loan balance due to CAF Bank at 31 October 2025 amounted to £138,914.

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.

19 Non-controlling interests

	2025
	£
At 1 November 2024	115,675
Non-controlling interests recognised in the year	(113)
At 31 October 2025	<u>115,562</u>

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20 Restricted funds - group and company - 2025

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 01.11.2024	Income	Expenditure	Transfers in/(out)	Balance at 31.10.2025
	£	£	£	£	£
Bodiam extension	661,073	-	(26,181)	-	634,892
Rolvenden carriage shed	401,947	-	(9,338)	-	392,609
6619 Limited	13,414	-	-	-	13,414
Aries Pullman Car	77,075	130	-	-	77,205
Terrier 150	-	801	-	-	801
Other projects	368,351	106,563	(25,441)	(34,635)	414,838
	1,521,860	107,494	(60,960)	(34,635)	1,533,759

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 movements in the major restricted fund cash balances, which form part of the 'Other projects' fund, are analysed as follows:

	Balance at 01.11.2024	Income	Expenditure	Transfers in/(out)	Balance at 31.10.2025
	£	£	£	£	£
Aries Pullman Car	23,531	130	-	-	23,661
Panier 1638	17,733	17,028	(9,918)	-	24,843
Cavell Van	10,242	438	-	(562)	10,118
GWR Railcar Appeal	17,073	12,146	(22,540)	-	6,679
Kit Kat Van	2,226	-	-	-	2,226
Museum - Miller legacy and general	39,851	42,881	-	-	82,732
Pullman Donations	36,465	9,919	(2,177)	(2,005)	42,202
Ready for Robertsbridge	26,023	881	-	-	26,904
Environmental Sustainability Funds	9,000	-	-	(9,000)	-
Heritage Buildings	21,395	2,162	-	(1,060)	22,497
Knowle Restoration Fund	10,000	-	-	-	10,000
	213,539	85,585	(34,635)	(12,627)	251,862

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Restricted funds - group and company - 2024

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 01.11.2023	Income	Expenditure	Transfers in/(out)	Balance at 31.10.2024
	£	£	£	£	£
Bodiam extension	687,254	-	(26,181)	-	661,073
Rolvenden carriage shed	411,285	-	(9,338)	-	401,947
6619 Limited	13,414	-	-	-	13,414
Aries Pullman Car	76,945	130	-	-	77,075
Terrier 150	156	863	(1,019)	-	-
Other projects	425,590	90,655	(42,798)	(105,096)	368,351
	1,614,644	91,648	(79,336)	(105,096)	1,521,860

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.

21 Unrestricted funds - 2025

	Group 2025	Group 2024	Company 2025	Company 2024
	£	£	£	£
<i>General funds</i>				
At 1 November 2024	1,412,785	1,448,807	1,343,651	1,381,695
(Deficit)/Surplus for the year	27,534	(141,118)	25,990	(143,140)
Transfers in	34,635	105,096	34,635	105,096
At 31 October 2025	1,474,954	1,412,785	1,404,276	1,343,651
<i>Designated funds</i>				
At 1 November 2024	88,604	91,229	88,603	91,228
(Deficit)/Surplus for the year	1,916	(2,625)	1,916	(2,625)
Transfers in				
At 31 October 2025	90,520	88,604	90,519	88,603
<i>Non-controlling interest</i>				
At 1 November 2024	(115,675)	(122,426)	-	-
Movement in the year	113	6,751	-	-
At 31 October 2025	(115,562)	(115,675)	-	-
Total	1,449,912	1,385,714	1,494,795	1,432,254

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

Notes to the financial statements
for the year ended 31 October 2025

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

	Cash balance at 01.11.2024 £	Cash received £	Cash spent other expenses £	Cash balance at 31.10.2025 £
Museum	4,737	14,510	(12,594)	6,653
C&W extension	(5,338)	-	-	(5,338)
	(601)	14,510	(12,594)	1,315

22 Analysis of net assets between funds

Analysis of net assets between funds - current year:

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £
Intangible fixed assets	-	-	-
Tangible fixed assets	1,836,008	1,332,151	3,168,159
Heritage assets	-	16,511	16,511
Fixed asset investments	-	12,809	12,809
Current assets	520,480	172,288	692,768
Creditors due within one year	(815,104)	-	(815,104)
Creditors due in more than one year	(91,472)	-	(91,472)
	1,449,912	1,533,759	2,983,671

Analysis of net assets between funds - prior year:

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Intangible fixed assets	-	-	-
Tangible fixed assets	1,934,053	1,371,127	3,305,180
Heritage assets	-	16,511	16,511
Fixed asset investments	-	11,204	11,204
Current assets	392,048	123,018	515,066
Creditors due within one year	(801,284)	-	(801,284)
Creditors due in more than one year	(139,103)	-	(139,103)
	1,385,714	1,521,860	2,907,574

Notes to the financial statements
for the year ended 31 October 2025

23 Related party transactions

- i). The Charity as a mutual body receives annual subscriptions from its members.
- ii). The trustees of, I C Legg, S A Marsh, P D Shaw, P Vidler, D Bilsby and N D Sime 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.
- iii). The Charity is a member of The Terrier Trust CIO 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 CIO and in addition D J Nibloe and M J Hyner are Trustees of that Trust.
- iv). N D Sime is a Director of 6619 Limited, a company that the Charity has a 53.73% controlling interest of, which owns a locomotive which is made available to the Charity.
- v). 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.
- vi). The Trustees made donations to the Charity during the year, totalling £657.

24 Operating lease commitments

As at 31 October 2025 the Group and the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2025	2024
	£	£
Not later than 1 year	12,587	14,022
Later than 1 year and not later than 5 years	21,088	33,675
	33,675	47,697

Notes to the financial statements
for the year ended 31 October 2025

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

	Group 2025 £	Group 2024 £
Net income/(expenditure) for the year (as per Statement of financial activities)	75,982	(131,475)
Adjustments for:		
Depreciation charges	163,876	176,217
Loss on disposal of fixed assets	25,096	-
Amortisation charges	-	-
Share of associate loss/ (profit)	(1,605)	2,150
Decrease/ (increase) in stocks	(2,053)	2,220
(Increase)/ decrease in debtors	(30,216)	(29,401)
Increase/ (decrease) in creditors	20,364	41,632
Net cash provided by operating activities	251,444	61,343

26 Analysis of cash and cash equivalents

	Group 2025 £	Group 2024 £
Cash in hand	606,599	461,325

27 Contingent liabilities

The Company is grateful to have had the beneficial use of a number of locomotives from private owners, typically over a ten-year period. The Company's obligation has been to restore the locomotives to their pre-agreement condition within a defined period at the end of the agreements. Some of these locomotives remain out of use following the expiry of the agreements without the necessary repairs having been commenced or carried out.

It is the intention of the company to restore all locomotives under hire agreements, to the appropriate condition as soon as facilities and finances permit. Due to the uncertain timing of when works can be done and current supply chain issues , it is not possible to quantify the amounts involved.

The Kent and East Sussex Railway Company Limited

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Notes to the financial statements for the year ended 31 October 2025

28. 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
6619 Limited	08012491	Tenterden Town Station, Station Road, Tenterden, Kent, TN30 6HE	The restoration of the 6619 Locomotive	Ordinary	53.73%	Yes

The financial results of the subsidiaries for the year were:

Names	Income £	Expenditure £	Surplus/ (Deficit) for the year £	Net assets £
Colonel Stephens Railway Enterprises Limited	740,695	(740,695)	-	7
Robertsbridge 20/20 Limited	-	-	-	1
6619 Limited	-	(244)	244	249,756

The following was an associate of the Charity:

Name	Fair value of investment at 31 October 2025 £	Registered office or principal place of business	Class of shares	Holding
Kent and East Sussex Railway Adventures Company Limited	12,809	Rolvenden Layne, TN17 4NL	Ordinary	16.51%

The Kent & East Sussex Railway Company Limited
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Consolidated detailed Income and Expenditure Account
for the year ended 31 October 2025

	Parent Company	Designated Funds	Colonel Stephens	Intra-Group Transactions	Total 2025	Total 2024
Income before legacies:						
Fares and donations to travel	987,651	-	-	(195,300)	792,351	867,434
Santa Special receipts	499,453	-	-	-	499,453	501,260
Membership subscriptions	58,776	-	-	-	58,776	52,364
Donations	202,736	14,510	-	(128,563)	88,683	131,569
Gift aid	31,831	-	-	-	31,831	23,402
Gift cards write off	5,001	-	-	-	5,001	8,460
Wealden Pullman	-	-	343,913	-	343,913	398,465
Gift shop takings	-	-	79,085	-	79,085	85,372
Buffet and catering	-	-	301,788	-	301,788	324,211
Railway Experience Days	-	-	13,491	-	13,491	11,685
Footplate tasters	-	-	-	-	-	125
Glamping coach profit share	-	-	2,418	-	2,418	1,144
Hire of locomotive	-	-	-	-	-	-
Rental income	11,475	-	-	-	11,475	5,750
Filming income	-	-	-	-	-	1,433
Sundry income	133,833	-	-	-	133,833	84,869
Other grants	100,680	-	-	-	100,680	-
Government support	-	-	-	-	-	-
	2,031,436	14,510	740,695	(323,863)	2,462,778	2,497,543
Direct operating expenses	1,782,497	12,594	525,812	(128,563)	2,192,340	2,336,482
Train charter costs	-	-	195,300	(195,300)	-	-
Administration expenses	161,861	-	19,631	-	181,492	201,518
Finance charges	12,458	-	(48)	-	12,410	17,360
Depreciation	190,760	-	-	(1,789)	188,971	136,265
	2,147,576	12,594	740,695	(325,652)	2,575,213	2,691,625
Surplus/ (deficit) before legacy income	(116,140)	1,916	-	1,789	(112,435)	(194,082)
Add: legacy income	186,812	-	-	-	186,812	71,508
Share of associates profit / (loss)	1,605	-	-	-	1,605	2,150
Total surplus/ (deficit) for the year	72,277	1,916	-	1,789	75,982	(124,724)

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 2025

	Total 2025	Total 2024
1. Direct operating expenses		
Cost, fuel, oil and water	164,708	189,353
Hire of locomotives	219,902	237,623
Operating department expenses	19,172	36,273
Signals and telegraph expenses	4,757	3,185
Permanent way and civil engineering expenditure	37,763	26,002
Forestry and conservation	5,373	4,748
Loco department costs	125,481	158,052
Carriage and wagon departments costs	40,647	36,775
Rent & rates	6,703	6,453
Repair and maintenance of buildings	47,484	84,204
JCB Lease Hire	15,429	16,594
Electricity and power	95,467	104,397
Cleaning	24,031	25,237
Insurance	76,218	79,698
Wages, national insurance and pension	593,802	609,588
Advertising and publicity	55,082	70,222
Event expenses:		
Santa Special	161,905	131,062
Other	85,287	39,743
	<u>247,192</u>	<u>170,805</u>
Museum overheads	15,880	20,529
	<u><u>1,795,091</u></u>	<u><u>1,879,738</u></u>
2. Train Charter costs		
<p>The Company has reviewed its charter charges to Colonel Stephens Railway Enterprises Ltd. The charge per train is now £3,100 for each of the 63 trains rostered. This is considered to be fair and reasonable.</p>		
3. Administration expenses		
Audit	21,250	12,905
Telephone, postage and stationery	13,032	12,526
Membership, magazine printing and distribution expenses	14,232	15,661
Legal and professional fees	3,551	2,966
Training and personnel costs	21,183	18,689
Office and other expenses	23,965	33,668
Computer expenses	30,779	28,389
Bank charges	3,825	3,457
Credit card charges	30,044	31,387
	<u>161,861</u>	<u>159,648</u>
4. Finance charges		
Bank loan interest	<u>12,458</u>	<u>17,404</u>
5. Depreciation and amortisation		
Charge for the period (gross of eliminating adjustment)	165,664	176,217
Loss on disposal of fixed asset	25,096	-
Less: amortisation of capital grants and donations received in	-	(38,163)
	<u>190,760</u>	<u>138,054</u>

The Kent & East Sussex Railway Company Limited
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Colonel Stephens Railway Enterprises Limited
Balance sheet
As at 31 October 2025

	Year ended 31/10/2025	Year ended 31/10/2024
Current assets		
Stock	33,350	31,297
Trade debtors	-	893
Other debtors	7,147	1,775
Amounts owed by group undertakings	-	24,565
Cash at bank and in hand	114,216	32,141
	<u>154,713</u>	<u>90,671</u>
Creditors: amounts falling due within one year		
Trade creditors	15,763	8,534
Amounts owed to group undertakings	64,838	-
Other taxation and social security	4,132	6,021
Accruals and deferred income	69,973	76,109
	<u>(154,706)</u>	<u>(90,664)</u>
Net assets	<u><u>7</u></u>	<u><u>7</u></u>
Capital and reserves		
Called up share capital	7	7
Profit and loss account	-	-
Shareholders funds	<u><u>7</u></u>	<u><u>7</u></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 2025

		Year ended 31/10/2025	Year ended 31/10/2024
Sales	1	740,695	821,002
Less: cost of sales	2	592,549	643,893
Gross trading profit/(loss)		<u>148,146</u>	<u>177,109</u>
Less: Overhead expenses			
Audit		-	11,455
Accountancy		3,250	1,450
Repairs and maintenance		6,095	11,289
Light and heat		2,988	2,872
Printing, postage and stationery		259	381
Credit card charges		6,288	6,292
Bank charges		751	774
		<u>19,631</u>	<u>34,513</u>
Plus: interest received		48	44
Net profit/(loss) before charitable donation		<u>128,563</u>	142,640
Less: charitable donation		(128,563)	(142,640)
Net profit/(loss)		<u><u>-</u></u>	<u><u>-</u></u>

Schedules to the trading and profit and loss account
For the year ended 31 October 2025

		Year ended 31/10/2025	Year ended 31/10/2024
1. Sales			
Wealden Pullman and Sunday lunches		343,913	398,465
Gift shop takings		79,085	85,372
Buffet and catering		301,788	324,211
Railway Experience Days		13,491	11,685
Footplate tasters		-	125
Glamping coach profit share		2,418	1,144
		<u>740,695</u>	<u>821,002</u>
2. Costs of sales			
Wealden Pullman purchases and expenses		68,339	81,403
Gift shop purchases and expenses		49,537	48,333
Buffet purchases and expenses		120,653	137,318
Train charter costs and fares		195,300	201,680
Wages and national insurance		155,796	169,783
Staff pension scheme costs		2,924	3,148
Consumable tools		-	2,228
		<u>592,549</u>	<u>643,893</u>