

REGISTERED COMPANY NUMBER: 2147443 (England and Wales)
REGISTERED CHARITY NUMBER: 1015635

**REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST MARCH 2014
FOR
STAFFORDSHIRE NARROW GAUGE RAILWAY LIMITED**

Cotterell & Co
The Curve
83 Tempest Street
Wolverhampton
West Midlands
WV2 1AA

STAFFORDSHIRE NARROW GAUGE RAILWAY LIMITED

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YEAR ENDED 31ST MARCH 2014

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STAFFORDSHIRE NARROW GAUGE RAILWAY LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2014 (INCORPORATING THE DIRECTORS' REPORT)

The Trustees, who are also the directors of the charity for the purposes of the Companies Act 2006, present their report, together with the financial statements of the company for the year ended 31st March 2014.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company Number	2147443 (England and Wales)
Registered Charity Number	1015635
Registered Office	Amerton Farm Stowe-by-Chartley Staffordshire ST18 0LA
Principal Office	Amerton Farm Stowe-by-Chartley Staffordshire ST18 0LA
Directors (Trustees)	L E Hodgkinson J Strike P F Mason I M W Rae – resigned 17 th June 2014 D A Luker P M Gully M J Potter S P Bell M W Garner
Company Secretary	L E Hodgkinson
Independent Examiners	Cotterell & Co The Curve 83 Tempest Street Wolverhampton West Midlands WV2 1AA
Bankers	Barclays Bank plc PO Box 202 Stoke on Trent ST1 2PJ
Bankers	Santander Bank plc Bridle Road Bootle Merseyside L30 4GB

STAFFORDSHIRE NARROW GAUGE RAILWAY LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2014 (INCORPORATING THE DIRECTORS' REPORT)

REFERENCE AND ADMINISTRATIVE DETAILS - continued

Bankers	HSBC Bank plc 8 Market Square Stafford ST16 2JP
Bankers	Stafford Railway Building Society 4 Market Square Stafford ST16 2JH

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The organisation is a charitable company, limited by guarantee and not having a share capital, incorporated on 15th July 1987 and registered as a charity on 18th December 1992. It operates under the name of "Staffordshire Narrow Gauge Railway Limited". The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

Recruitment and Appointment of New Trustees

Trustees (who are also the directors of the company) are elected or appointed in accordance with the company's Articles of Association and form the Council of Management ("the Council"). The Council shall have no less than four and no more than twelve members. One third of the members of the Council retire annually by rotation, but are eligible for re-election. New members of the Council may be elected by the members or appointed by the Council either to fill a casual vacancy or by way of an addition to the Council. A member appointed by the Council will retain his office only until the next Annual General Meeting, but shall then be eligible for re-election. Stafford Borough Council may from time to time and at any point appoint a member of the Council. All members of the Council must be members of the company. The Chairman of the Council is elected by the members of the Council from amongst their number.

Organisational Structure

The organisation comprises members of the company working in a voluntary capacity under the general direction of the Council of Management. All are unpaid although an honorarium is available to those members (including trustees) who operate weekday train services, should they choose to take it. Any honorarium paid to a trustee in the year is reported at Note 9 of the financial statements.

Governance, Risk Management and Financial Control

The major risks to which the company and charity is exposed, as identified by the Council of Management ("the Council"), are kept under review by the Council and systems implemented to mitigate those risks. The Council meets monthly to review and plan the activities of the company. Financial control is exercised through an annual cash flow planning process supported by monthly cash flow reports prepared within the company.

STAFFORDSHIRE NARROW GAUGE RAILWAY LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2014 (INCORPORATING THE DIRECTORS' REPORT)

OBJECTIVE AND ACTIVITIES

Objectives and Aims

The main objective of this charity is "to promote and to further the education of the public in the history of the Narrow Gauge Railway and General Transport Heritage of the United Kingdom, with special emphasis to the Staffordshire area, by the creation and operation of narrow gauge railways, tramways or other forms of transport".

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

Main Activities

The principal activities undertaken to fulfil the charitable objectives are:

- The operation of the narrow gauge Amerton Railway, open to the public, using locomotives and rolling stock in the custody of, or provided to, the charity.
- The collection, restoration and preservation of locomotives, rolling stock and other artefacts connected with narrow gauge railways in the United Kingdom.

The charity's activities are mainly undertaken at the Amerton Railway, a 17 acre site comprising land and buildings owned by the charity at Stowe-by-Chartley near Stafford, and in reasonably close proximity to Stoke-on-Trent and the northern part of the West Midlands conurbation. The Amerton Railway is almost one mile in length, with subsidiary yards and sidings, together with locomotive and carriage sheds, a large modern workshop and other ancillary buildings, some of intrinsic historic railway interest.

The charity owns a number of locomotives and most of the rolling stock. The "flagship" locomotive, W G Bagnall "Isabel" of 1897, built in Stafford, is jointly owned with Stafford Borough Council. The charity also has custody of Kerr Stuart Wren class locomotive "Lorna Doone" of 1922, built in Stoke-on-Trent, owned by Birmingham Museum of Science and Industry, which is on long term loan for display and restoration to working order, eventually to be used on the Amerton Railway.

In addition, a number of privately owned locomotives and items of rolling stock, some of which are beneficially owned by trustees of the charity (see Note 16 of the financial statements) are located at the Amerton Railway for restoration or use as appropriate to their condition. Agreements cover the location, restoration and use of these locomotives and rolling stock at the Amerton Railway; the charity pays most of the cost of storage and use, but does not pay any rental or hire fees for these items.

STAFFORDSHIRE NARROW GAUGE RAILWAY LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2014 (INCORPORATING THE DIRECTORS' REPORT)

ACHIEVEMENT AND PERFORMANCE

In summary, the principal achievements of the period under review were:

- Continued intensive railway operation has made the railway and collections more accessible to both lay visitors and those with a particular interest in narrow gauge railways.
- Completion of the restoration of one RNAD van and two RNAD flat wagons.
- Restoration of an ex-NCB manrider and its placement at the Amerton Railway on long term loan.
- Progress with the restoration to working order of Kerr Stuart locomotive "Lorna Doone".
- Progress on the restoration to working order of Bagueley locomotive "Golspie".
- Progress on the construction of an additional passenger carriage.
- Progress on the restoration of the ex-Leek & Manifold Light Railway Waterhouses signal box.
- Commencement of construction of a ballast wagon.
- Headshunt extension trackwork completed and some main line relaying undertaken.
- Implementation of the first phase of the revised Safety Management System.
- Launch of a fully revised website.
- Recruitment of additional volunteers, including young people.

The Amerton Railway was open for 137 days during the period under review, operating each Saturday and Sunday except for close periods in November, January, February and March during which periods substantial track maintenance and renewal projects were undertaken. The railway opened every day during school holidays (except at Christmas). This intensive operation (wholly undertaken by volunteers) generates the bulk of the charity's funds, with about 74% of the charity's revenue income coming from this source in the period.

Train services are usually diesel operated during the week and on Saturdays, with steam locomotives used on Sundays and bank holidays. Patrons can see some of the rolling stock during their journey and informal "shed visits" are often provided to inform visitors about the locomotive collection. The popular steam gala was again held in June and included three visiting locomotives in addition to those based at Amerton. This event provides enthusiast visitors with the opportunity to see operations at close quarters as well as view the full collection of locomotives, rolling stock and the restoration projects being undertaken in the railway workshop. The June 2013 steam gala was well attended, with some enthusiast visitors travelling considerable distances (e.g. from Yorkshire and North East England) to attend. The charity has also facilitated visits by several people who wished to examine certain locomotives in detail to collect information for research, the construction of models or, in one case, a full size replica. The charity hosted formal visits by the Sutton Coldfield Railway Society and the Ashover Light Railway Society during the period.

Extensive restoration work on one of the three ex-Trecwn RNAD vans and two of the flat wagons from the same source was (other than for lettering) completed during the period. The van assessed to be in the least worst condition was chosen as a trial vehicle to demonstrate what might be entailed in restoring the remaining vehicles. A very extensive programme of work has produced an excellent restoration and given good guidance for future work on the remaining vehicles. The charity was also offered the opportunity to obtain an ex-NCB underground manrider/ambulance car on long term loan. Built by Allens for Tipton and hence with Staffordshire connections consonant with the charitable objectives, the vehicle arrived at Amerton in February 2014 after restoration work off-site by Amerton Railway volunteers. The manrider is in use as a permanent way vehicle and has proved to be both very useful and an item of considerable interest to visitors.

STAFFORDSHIRE NARROW GAUGE RAILWAY LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2014 (INCORPORATING THE DIRECTORS' REPORT)

ACHIEVEMENT AND PERFORMANCE – continued

Work continued during the period on the restoration to working order of the steam locomotive “Lorna Doone” (Kerr Stuart, 1922, built in Stoke-on-Trent) and the diesel engined steam-outline locomotive “Golspie”, ex Trentham Gardens railway (Baguley, 1935, built in Burton-on-Trent). New motion work components were made or obtained and fitted to Lorna Doone. Work on the engine in Golspie culminated in the first running of its engine in over 20 years in April 2013. Attention has now turned to repair and overhaul of the gearbox, to be followed by the running gear.

Started in the 2012-13 period, work on construction of a new wooden framed, fully-enclosed, coach on existing Baguley running gear has continued. It was also decided to design and build a ballast wagon to assist in the ongoing task of track renewal and maintenance. This will both make the work more efficient and improve health & safety on the railway by reducing manual handling. Much work on the ballast wagon was undertaken by Amerton Railway members off-site. Both coach and ballast wagon are in progress at the period end. Further work was undertaken on the restoration of the timber signal box from Waterhouses station on the Leek and Manifold Light Railway in North Staffordshire, with the aim of bringing this back into use to house a lever frame controlling the Amerton Railway.

Trackwork on the extension of the headshunt, commenced in the 2012-13 period and supported by a grant from the Staffordshire Environmental Fund, was completed during the year and the final instalment of the grant paid to the charity. In addition, new rail was laid on the main line adjacent to the headshunt and a start was made on replacing the rails used in one of the earliest parts of the railway to be built. This work, using heavier pre-used rail, will continue in the 2014-15 period.

A very considerable amount of work has been undertaken to review and upgrade the Safety Management System that governs all aspects of operations at the Amerton Railway. The principal policies and procedures in the upgraded system were all completed and implemented during the period. Future work will concentrate on system refinement and establishing web-based access for all working volunteer members.

The recruitment of additional volunteer members during the period, in both engineering and operating areas, has been very welcome, especially as this includes some young people. The amount of volunteer time contributed to the operation of the charity in all areas has shown a welcome increase. The skills that are now available to the charity through its volunteers have allowed the development and launch of a new website which has considerably enhanced the online presence of the Amerton Railway and which is being further developed, particularly in the area of use for the Safety Management System.

FINANCIAL REVIEW

Reserves Policy

At the balance sheet date the charity held unrestricted funds of £242,275 and restricted funds of £51,219. Reserves are held to ensure ongoing services are funded for the foreseeable future.

The Council of Management takes great care to ensure that there is tight financial control over the way the charity is operated. Spending priorities are agreed at the start of the year and the income and expenditure is closely monitored and funds allocated accordingly to spending or placed in reserves to meet known short term commitments and medium to long term plans.

STAFFORDSHIRE NARROW GAUGE RAILWAY LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2014 (INCORPORATING THE DIRECTORS' REPORT)

FINANCIAL REVIEW - continued

Principal Funding Sources

The principal funding source for the charity is income from the sale of train tickets for the Amerton Railway.

FUTURE DEVELOPMENTS

Short term activity for the next 12 – 18 months will mainly focus on projects already in hand:

- Completion of the restoration of Lorna Doone.
- Completion of the additional coach and ballast wagon.
- Relocation of the signal box onto its permanent base and further restoration work.
- Completion of the mainline track replacement.
- Refinement of the Safety Management System and web-based access.

In addition, it is hoped to give attention to:

- Design and specification of a new lever frame/point operation/signalling system.
- Progress on restoration of further RNAD flat wagons or vans.
- Design and specification of “industrial railway” track extensions.
- Grant funding and construction of a replica Leek & Manifold Light Railway building at Chartley Road platform.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable laws and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

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

STAFFORDSHIRE NARROW GAUGE RAILWAY LIMITED

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2014
(INCORPORATING THE DIRECTORS' REPORT)**

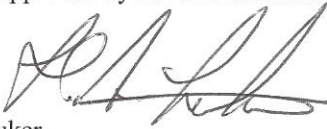
INDEPENDENT EXAMINERS

The members have not required the company to obtain an audit of its financial statements for the year ended 31st March 2014 in accordance with section 476 of the Companies Act 2006.

The charity's trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (issued in March 2005) and in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

It was approved by the Council of Management and signed on its behalf by:



D A Luker
Chairman of the Council of Management and Trustee

Date: 19/11/14

STAFFORDSHIRE NARROW GAUGE RAILWAY LIMITED

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2014**

I report on the accounts of the company for the year ended 31st March 2014, which are set out on pages 7 to 19.

Respective responsibilities of trustees and examiner

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- state whether particular matters have come to my attention.

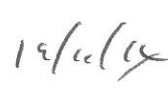
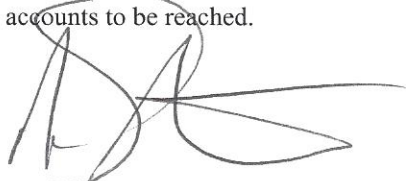
Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a "true and fair view" and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- which gives me reasonable cause to believe that, in any material respect, the requirements:
 - o to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - o to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charitieshave not been met; or
- to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Mr A Storey FCA
Cotterell & Co
The Curve
83 Tempest Street
Wolverhampton
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STAFFORDSHIRE NARROW GAUGE RAILWAY LIMITED

**STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31ST MARCH 2014**

	Notes	Unrestricted Funds £	Restricted Funds £	2014 Total Funds £	2013 Total Funds £
INCOMING RESOURCES					
Incoming resources from generated funds:					
Voluntary income	2	6,219	4,921	11,140	22,806
Activities for generating funds	3	4,170	-	4,170	4,798
Investment income	4	430	349	779	734
Incoming resources from charitable activities:					
Operating of Narrow Gauge Railway	5	50,821	-	50,821	51,269
Other incoming resources:					
Rent	6	908	-	908	1,045
Total incoming resources		62,548	5,270	67,818	80,652
RESOURCES EXPENDED					
Costs of generating funds:					
Fundraising trading: cost of goods sold	7	1,034	-	1,034	2,126
Charitable activities:					
Operation of Narrow Gauge Railway	7	44,612	5,293	49,905	52,520
Total resources expended		45,646	5,293	50,939	54,646
NET (EXPENDITURE)/INCOME BEFORE TRANSFERS		16,902	(23)	16,879	26,006
Gross transfers between funds		-	-	-	-
NET (EXPENDITURE)/INCOME FOR THE YEAR		16,902	(23)	16,879	26,006
RECONCILIATION OF FUNDS					
Total funds brought forward		225,073	51,542	276,615	250,609
TOTAL FUNDS CARRIED FORWARD		241,975	51,519	293,494	276,615

The results for the year derive from continuing activities and there are no gains or losses other than those shown above.

BALANCE SHEET
AT 31ST MARCH 2014

	Notes	Unrestricted Funds £	Restricted Funds £	2014 Total Funds £	2013 Total Funds £
FIXED ASSETS					
Tangible assets	10	267,534	43,525	311,059	308,428
		<hr/>	<hr/>	<hr/>	<hr/>
CURRENT ASSETS					
Stocks		4,932	-	4,932	5,196
Debtors: amounts falling due within one year	11	6,571	-	6,571	8,473
Cash at bank and in hand		41,319	33,494	74,813	66,425
		<hr/>	<hr/>	<hr/>	<hr/>
		52,822	33,494	86,316	80,094
CREDITORS					
Amounts falling due within one year	12	(5,383)	(4,025)	(9,408)	(9,553)
		<hr/>	<hr/>	<hr/>	<hr/>
NET CURRENT ASSETS		47,439	29,469	76,908	70,541
		<hr/>	<hr/>	<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		314,973	72,994	387,967	378,969
CREDITORS					
Amounts falling due after more than one year	13	(64,373)	(30,100)	(94,473)	(102,354)
		<hr/>	<hr/>	<hr/>	<hr/>
NET ASSETS		250,600	42,894	293,494	276,615
		<hr/>	<hr/>	<hr/>	<hr/>
FUNDS	15				
Unrestricted funds				241,975	225,073
Restricted funds				51,519	51,542
				<hr/>	<hr/>
				293,494	276,615
				<hr/>	<hr/>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31st March 2014.

The members have not required the company to obtain an audit of its financial statements for the year ended 31st March 2014 in accordance with section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

BALANCE SHEET - continued
AT 31ST MARCH 2014

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Board of Trustees on 19th November 2014 and were signed on its behalf by:

A handwritten signature in black ink, appearing to read 'D A Luker', with a horizontal line underneath.

D A Luker - Trustee

STAFFORDSHIRE NARROW GAUGE RAILWAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS AT 31ST MARCH 2014

1. ACCOUNTING POLICIES

Accounting convention

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

Going concern

The trustees believe that there are no material uncertainties that may cast significant doubt on the ability of the company to continue as a going concern and therefore the going concern basis remains appropriate in the preparation of the financial statements.

Incoming resources

Income receivable by the charitable company falls within the charitable company's activities, including donations, legacies and subscriptions and is shown excluding Value Added Tax, where applicable. The sale of goods, including donated items is shown under income and the related costs/expenses are shown in cost of goods for resale. Gifts and donations in kind for re-sale by the charity are recognised as income only when sold, they are brought into account at the sales value achieved.

Subscriptions from members are considered to be donations in substance and are recognised on receipt.

Investment income is recognised when it is received.

Gift Aid recoverable is recognised within the same category of income to which the Gift Aid claim relates in the same period in which that income is recognised.

Grant income is not recognised until any conditions for receipt have been complied with. If there is evidence of the accounting period to which it relates then grant income is recognised in line with that evidence. If there is no evidence, grant income is recognised in the period in which it is received. If grant funding contains conditions that closely specify the service to be performed by the charity (possibly by way of a service level agreement), entitlement to the incoming resources derived from the grant may be conditional upon the delivery of a specified level of service. Where such circumstances clearly apply, income is only recognised to the extent that the charity has provided the service detailed.

Grants received for specific purposes set out by the grant provider are treated as restricted funds. Recognised restricted funds are carried forward in these financial statements unless there is evidence to suggest that a grant provider actually intends to obtain repayment of grants already given.

Resources expended

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Charitable expenditure comprises those costs incurred by the charity in delivery of its activities and services.

Governance costs include costs associated with meeting the constitutional and statutory requirements of the charity and include accountancy fees and costs linked to the strategic management of the charity.

STAFFORDSHIRE NARROW GAUGE RAILWAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS AT 31ST MARCH 2014

1. ACCOUNTING POLICIES - continued

Allocation and apportionment of costs

All costs are allocated between the expenditure categories of the Statement of Financial Activities (SOFA) on a basis designed to reflect the use of the resource.

Tangible fixed assets

Expenditure on the acquisition of fixed assets in excess of £100 and any receipts of fixed assets by way of a gift are capitalised and included in the balance sheet. Assets received by way of a gift are capitalised at the value at which the gift is included in income, being the estimated value at the time of the gift. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Buildings	- straight line over 10 years
Plant and machinery etc	- straight line over 10 years and 20 years

Stocks

Stock, which consists of goods for resale, tickets and fuel, has been valued by the directors at the lower of cost and net realisable value.

Taxation

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

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees in furtherance of the objects of the charity.

Restricted and designated funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanations of the nature and purpose of each fund is included in the notes to the financial statements.

Donated services

The company has the use of engines and rolling stock which belong to third parties. These items are not capitalised in the financial statements and the benefit to the company has not been quantified for inclusion in the Statement of Financial Activities.

Services donated to the charity, which it would otherwise have had to purchase, are included in the Statement of Financial Activities as intangible income at the amount of the benefit to the charity (provided that this benefit is quantifiable). An equivalent amount is included as expenditure under the appropriate heading.

STAFFORDSHIRE NARROW GAUGE RAILWAY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
AT 31ST MARCH 2014**

2. VOLUNTARY INCOME

	2014 £	2013 £
Grants from Staffordshire Environmental Fund	1,581	7,819
Donations and gifts	4,646	5,823
Subscriptions	1,889	1,014
Donated services	3,024	7,900
Donated asset	-	250
	<hr/>	<hr/>
	11,140	22,806
	<hr/>	<hr/>

3. ACTIVITIES FOR GENERATING FUNDS

	2014 £	2013 £
Sale of goods	4,170	4,798
	<hr/>	<hr/>

4. INVESTMENT INCOME

	2014 £	2013 £
Deposit account interest – general fund	430	143
Deposit account interest – restricted fund	349	591
	<hr/>	<hr/>
	779	734
	<hr/>	<hr/>

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	2014 £	2013 £
Train ticket receipts	50,821	51,269
	<hr/>	<hr/>

6. OTHER INCOMING RESOURCES

	2014 £	2013 £
Grazing fees & shooting rights	908	1,045
	<hr/>	<hr/>

STAFFORDSHIRE NARROW GAUGE RAILWAY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
AT 31ST MARCH 2014**

7. RESOURCES EXPENDED

	2014	2013
	£	£
Cost of generating funds		
Fundraising trading: cost of goods sold:		
Goods for resale	1,034	2,126
	<hr/>	<hr/>
Charitable activities		
Operation of Narrow Gauge Railway:		
Building and workshop maintenance	4,691	1,973
Rolling stock and locomotive maintenance	7,764	4,574
Fuel and oil consumed	3,629	3,890
Train service costs	4,151	9,053
Depreciation of tangible fixed assets	18,622	17,319
	<hr/>	<hr/>
	38,857	36,809
	<hr/>	<hr/>
Support costs		
Management		
Insurance	3,533	6,177
Water	-	111
Light and heat	1,129	779
Telephone	156	285
Postage and stationery, and advertising	985	1,860
Sundries	256	611
Interest	-	2
Bank loan interest	3,988	3,838
Legal and professional fees	501	-
Accountancy	500	2,000
Bank charges	-	48
	<hr/>	<hr/>
	11,048	15,711
	<hr/>	<hr/>
	49,905	52,520
	<hr/>	<hr/>
Governance costs		
Governance costs included in support costs:		
Accountancy	500	2,000
Sundries	-	489
	<hr/>	<hr/>
	500	2,489
	<hr/>	<hr/>

STAFFORDSHIRE NARROW GAUGE RAILWAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
AT 31ST MARCH 2014

8. NET INCOMING/(OUTGOING) RESOURCES

	2014	2013
	£	£
The results for the period are stated after charging:		
Depreciation – owned assets	18,622	17,319
Donated services – accountancy fees	-	2,000
	<u> </u>	<u> </u>

9. TRUSTEES' REMUNERATION AND BENEFITS

No honorarium was paid to any trustee during the year, however honorarium payments of £760 (2013: £540) were made to a member, the wife of a trustee, during the year.

The honorarium payments relate to monies paid regarding the running of the mid-week train service and such payments were agreed with the Charity Commission in July 2007. The honorarium payments are included in train service costs – see note 7.

Trustees' expenses

No expenses were paid to trustees during the year (2013: nil).

STAFFORDSHIRE NARROW GAUGE RAILWAY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
AT 31ST MARCH 2014**

10. TANGIBLE FIXED ASSETS

	Freehold Land £	Buildings £	Isabel £	Workshop £	Plant and Machinery £
COST					
At 1 st April 2013	141,322	19,465	50,000	70,022	8,795
Additions	-	-	-	-	-
At 31 st March 2014	141,322	19,465	50,000	70,022	8,795
DEPRECIATION					
At 1 st April 2013	-	18,488	15,000	27,858	7,335
Charge for year	-	197	2,500	7,003	585
At 31 st March 2014	-	18,685	17,500	34,861	7,920
NBV					
At 31 st March 2014	141,322	780	32,500	35,161	875
At 31 st March 2013	141,322	977	35,000	42,164	1,460

	Amerton Railway Civil Works £	Permanent Way £	Rolling Stock £	TOTALS £
COST				
At 1 st April 2013	70,234	10,904	81,016	451,758
Additions	-	14,100	7,153	21,253
At 31 st March 2014	70,234	25,004	88,169	473,011
DEPRECIATION				
At 1 st April 2013	32,124	8,723	33,802	143,330
Charge for year	3,367	947	4,023	18,622
At 31 st March 2014	35,491	9,670	37,825	161,952
NBV				
At 31 st March 2014	34,743	15,334	50,344	311,059
At 31 st March 2013	38,110	2,181	47,214	308,428

STAFFORDSHIRE NARROW GAUGE RAILWAY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
AT 31ST MARCH 2014**

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £	2013 £
Accrued income	-	3,030
Other debtors	591	2,476
VAT	1,237	1,660
Prepayments	4,743	1,307
	<hr/>	<hr/>
	6,571	8,473
	<hr/>	<hr/>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £	2013 £
Bank loans and overdrafts	4,184	3,772
Accrued expenses	1,199	1,756
VAT	-	-
Members loans	4,025	4,025
	<hr/>	<hr/>
	9,408	9,553
	<hr/>	<hr/>

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2014 £	2013 £
Bank loans	64,373	68,229
Members loans	30,100	34,125
	<hr/>	<hr/>
	94,473	102,354
	<hr/>	<hr/>
Amounts falling due in more than five years:		
Repayable by instalments	59,137	68,046
Not repayments by instalments	-	1,000
	<hr/>	<hr/>
	59,137	69,046
	<hr/>	<hr/>

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

The following secured debts are included within creditors:

	2014 £	2013 £
Bank loans	68,556	72,001
	<hr/>	<hr/>

The bank loan is a commercial mortgage secured by way of a debenture on the company's freehold property.

STAFFORDSHIRE NARROW GAUGE RAILWAY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
AT 31ST MARCH 2014**

15. MOVEMENT IN FUNDS

	At 01/04/13 £	Net movement in funds £	Transfers between funds £	At 31/03/14 £
Unrestricted funds				
General fund	225,073	16,902	-	241,975
Restricted funds				
Henschel fund	36,052	1,495	-	37,547
Land purchase	7,671	(3,099)	-	4,572
Staffordshire Environmental Fund	7,819	1,581	-	9,400
	<u>276,615</u>	<u>16,879</u>	<u>-</u>	<u>293,494</u>

Net movements in funds, included in the above, are as follows:

	Incoming resources	Resources expended	Movement in funds
Unrestricted funds			
General fund	62,548	(45,646)	16,902
Restricted funds			
Henschel fund	2,299	(804)	1,495
Land purchase	1,390	(4,489)	(3,099)
Staffordshire Environmental Fund	1,581	-	1,581
TOTAL FUNDS	<u>67,818</u>	<u>(50,939)</u>	<u>16,879</u>

Purpose of restricted fund

The Henschel fund comprises money given to the charity under the Charities Aid scheme for the restricted purpose of restoration of the Feldbahn locomotive owned by two trustees and two other members, which will be available to the charity for a period of operation on the Amerton Railway after restoration is completed.

The land purchase fund is loans and donations received to be used towards the costs of purchasing the land upon which the railway operates.

The Staffordshire Environmental Fund is a grant contributing towards the extension of a siding to form a passing loop on the main line track. The balance on the restricted funds represents the contribution to the cost of the project at the balance sheet date (included in Amerton Railway Civil Works in tangible fixed assets). The project was completed in June 2013.

STAFFORDSHIRE NARROW GAUGE RAILWAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS AT 31ST MARCH 2014

16. RELATED PARTY TRANSACTIONS

During the year the company operated locomotives which are beneficially owned by the trustees of the charity under a rent free, formal, locomotive agreement between the company and the trustee concerned, as follows:

<u>Trustee</u>	<u>Locomotive</u>
L E Hodgkinson	“Dreadnought” Baguley Diesel Locomotive Ruston LBT Littleton Diesel Locomotive Fauld Wagon (77)
J Strike	Motorail Diesel Locomotive Eastriggs Riding Van Ruston 48DM Diesel Loco Allens Dropside Wagon
I Rae	Hudson Rolling Chassis Allens Dropside Wagon
P Mason	Motorail Diesel Loco No. 7471

The locomotives listed against J Strike and P Mason are jointly owned with other members of the charity.

During the year an amount of £804 was paid from the restricted Henschel fund towards the restoration of the Henschel locomotive which is beneficially owned by two trustees (J Strike and S Bell) and two other members. The locomotive will be available to the charity for a period of operation on the Amerton Railway after restoration is completed.

During the year ended 31st March 2013 the charitable company received loans from members to be used for the purchase of the land upon which the railway operates. These loans are interest free and repayable over 10 years with repayments commencing in January 2013. The balances outstanding at 31st March 2014 in respect of the trustees are as follows:

	2014	2013
	£	£
L E Hodgkinson and his wife	11,200	12,600
J Strike	4,000	4,500

During the year the company received donations amounting to £110 (2013: £420) from trustees to be used towards the costs of the purchase of the land on which the railway operates.

17. SHARE CAPITAL

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

18. CONTROLLING PARTY

In the opinion of the trustees, because of the way that the charity is constituted, there is no single controlling party. The charity is effectively controlled by the board, as a body.