Company registration number 01261079 (England and Wales)

Charity registration number 271589 (England and Wales)

EAST SOMERSET RAILWAY COMPANY LIMITED

ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

EAST SOMERSET RAILWAY COMPANY LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	C R Cooke	
	C E Hopkins	
	E Lavender	
	N J Dixon	
	M Marston-Grimley	(Appointed 29 November 2025)
	K Marshall	(Appointed 29 November 2025)
	G Fry	(Appointed 29 November 2025)
Secretary	A Jepson	
Country of incorporation	United Kingdom (England and Wales)	01261079
Charity registration	England and Wales	271589
Registered office	Cranmore Railway Station Cranmore SHEPTON MALLET Somerset BA4 4QP	
Independent examiner	Old Mill Accountancy Limited Bishopbrook House Cathedral Avenue WELLS Somerset BA5 1FD	
Bankers	Lloyds TSB 24 - 26 High Street WELLS Somerset BA5 2SJ	
Solicitors	Chubb Bulleid Limited 7 Market Place WELLS Somerset BA5 2RJ	

EAST SOMERSET RAILWAY COMPANY LIMITED

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EAST SOMERSET RAILWAY COMPANY LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2025

The trustees present their annual report and financial statements for the year ended 31 December 2025.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

Objectives and activities

The principle activities and charitable objectives of the East Somerset Railway Company (also known as ESR) are to preserve, operate and exhibit for public benefit for educational and instructional purposes and to stimulate and encourage interest in steam and other railway locomotives, rolling stock and other machinery and equipment of historical interest.

The wholly owned subsidiary company, Cranmore Railway Company Limited, carries out the trading activity of the charity and operates online and retail ticket sales as well as a site gift shop. It also runs a carriage overhaul and repair business, Cranmore Train Maintenance Services. An onsite café provides refreshments for visitors as well as all train catering through a long term concession agreement.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake. Following a review of the 2014 Charity Commission guidance the trustees reviewed the operating structure of the charity. As the trading income had grown substantially the trustees decided to move all commercial operations and trading to the wholly owned subsidiary.

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives in planning future activities.

The directors are very grateful to the many dedicated and enthusiastic volunteers without whom the railway could not function. The ESR has over 150 volunteers of whom 50 work regularly at the Railway. This equates to approximately 30 full time staff. All areas of the Railway are covered by these volunteers assisting in Management, Infrastructure maintenance, Operations, Track, Signal & Telegraph, Workshops, Shop and Ticket Office.

Achievements and performance

The heritage railway sector has struggled during this period with many railways of different sizes announcing urgent funding requests and with many of the larger railways reducing costs through staff redundancies and running fewer services. The ESR has managed to increase services and has seen more visitors looking to enjoy dining and footplate experiences.

Operation of the Café under concession arrangement continues to be successful and gives the ESR additional income.

During 2025 the railway carried out a major overhaul on long term hire locomotive 46447. Specific reserves were used to fund the material costs but general reserves were expended to fund additional locomotive hire costs. There was no opportunity for external overhaul work in 2025 and therefore workshop income was substantially lower. Track renewal work has continued and we continue to operate without temporary speed restrictions or operational restrictions.

Major building maintenance has taken place including the renewal of the wooden cladding on our main building side. Significant work has been carried out on our workshops as well as the demolition of a disused water tower.

Additional funding has been sourced for the installation of a footbridge but further funding will be required for the extensive restoration. It is hoped that installation will be completed in 2027.

Fundraising

The main source of funding is through operations, in addition donations (some with gift aid) and small grants support the main source. All ongoing improvements are generally funded by surplus income.

At this time no major projects (other than the bridge) are subject to fundraising. As a charity we do not directly solicit donations and have never employed directly or by 3rd party fundraisers.

Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Adoption of the going concern basis can be found in the Accounting Policies.

Financial review

The reserves of the charity that are freely available for the use at the year end are as follows:

	2025	2024
	£	£
Total funds of the charity	844,772	760,337
Less:		
Restricted funds	(188)	-
Designated funds	(4,000)	(66,000)
Unrestricted funds only realisable on disposal of fixed assets	(646,585)	(542,566)
	193,999	151,771

The East Somerset Railway Board understands the need for the financial stability of the charity along with the maintenance of buildings, permanent way and rolling stock. The backlog of infrastructure repairs has been reduced substantially during 2025.

Designated funds have been substantially reduced during 2025 due to the overhaul of locomotive 46447 and the effect of this on locomotive hire and the reduction of external overhaul work. In additional the major infrastructure backlog has been funded from reserves. The Board is aware of the need to re-establish a cash reserve and is working on a 5 year plan to restore balances. Third party overhaul work has now been secured for the next 4 years and projections show significant cash generation from activities which will improve cash reserves.

The railway has also secured a long term agreement to host a regular railtour which provides an additional income stream for the future.

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Plans for the future

The Railway has plans to expand dining and footplate experiences. There are further plans on improvements to infrastructure, rolling stock and signalling.

Structure, governance and management

The charity is a company limited by guarantee incorporated and registered as a charity on 2 June 1976. The guarantors are the members to the extent of £1 each. The governing documents of the charity are the Memorandum and Article of Association dated 2 June 1976. As amended by resolution 13 May 2017.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

R C Masters	(Resigned 30 October 2025)
C R Cooke	
C E Hopkins	
S J Masters	(Resigned 22 September 2025)
D R Sharp	(Resigned 8 September 2026)
E Lavender	
N J Dixon	
W Carr	(Appointed 22 September 2025 and resigned 15 April 2026)
M Marston-Grimley	(Appointed 29 November 2025)
K Marshall	(Appointed 29 November 2025)
G Fry	(Appointed 29 November 2025)

The trustees' are appointed at the annual general meeting by the members. The trustees may appoint new trustees between annual general meetings but such appointments must be ratified at the next annual general meeting.

Trustees seek to fill skill gaps as far as possible when looking for new board members. As a charity the ESR maintains a board of trustees and operates in line with recommended practice.

The ESR promotes a policy of inclusivity which is applied to our staff, volunteers and visitors. We have invested in external training in relation to vulnerable people.

As an operational railway the ESR has to provide a board structure that fulfils its obligations under the Transport & Works Act.

The day to day management of the charity is delegated to Simon Bending, business manager.

Statement of trustees' responsibilities

The trustees, who are also the directors of East Somerset Railway Company Limited for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees' report was approved by the Board of Trustees.

M Marston-Grimley
Trustee
Dated: 27 October 2026

EAST SOMERSET RAILWAY COMPANY LIMITED

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF EAST SOMERSET RAILWAY COMPANY LIMITED

I report to the trustees on my examination of the financial statements of East Somerset Railway Company Limited (the charity) for the year ended 31 December 2025.

Responsibilities and basis of report

As the trustees of the charity (and also its directors for the purposes of company law), you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006.

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the Companies Act 2006 and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011. In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the Charities Act 2011.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1 accounting records were not kept in respect of the charity as required by section 386 of the Companies Act 2006.

2 the financial statements do not accord with those records; or

3 the financial statements do not comply with the accounting requirements of section 396 of the Companies Act 2006 other than any requirement that the financial statements give a true and fair view, which is not a matter considered as part of an independent examination; or

4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

Rachel Wills, FCA
Old Mill Accountancy Limited
Bishopbrook House
Cathedral Avenue
WELLS
Somerset
BA5 1FD

Dated: 27 October 2026

EAST SOMERSET RAILWAY COMPANY LIMITED

STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	Total 2024 £
Income and endowments from:					
Donations and legacies	**3**	125,681	25,000	150,681	91,972
Charitable activities	**4**	-	-	-	347,153
Other trading activities	**5**	36,908	-	36,908	38,877
Other income	**6**	10,727	-	10,727	91,865
Total income		173,316	25,000	198,316	569,867
Expenditure on:					
Raising funds	**7**	-	-	-	24,397
Charitable activities	**8**	113,881	-	113,881	516,951
Total resources expended		113,881	-	113,881	541,348
Net incoming resources before transfers		59,435	25,000	84,435	28,519
Gross transfers between funds		24,812	(24,812)	-	-
Net incoming resources		84,247	188	84,435	28,519
Other recognised gains and losses					
Revaluation of tangible fixed assets		-	-	-	16,568
Net movement in funds		84,247	188	84,435	45,087
Fund balances at 1 January 2025		760,337	-	760,337	715,250
Fund balances at 31 December 2025		844,584	188	844,772	760,337

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

EAST SOMERSET RAILWAY COMPANY LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2025

	Notes	£	2025 £	£	2024 £
Fixed assets					
Tangible assets	**14**		646,585		542,566
Investments	**15**		25,000		25,000
			671,585		567,566
Current assets					
Stocks	**16**	-		11,869	
Debtors	**17**	58,894		89,788	
Cash at bank and in hand		134,762		171,677	
		193,656		273,334	
Creditors: amounts falling due within one year	**18**	(10,179)		(64,661)	
Net current assets			183,477		208,673
Total assets less current liabilities			855,062		776,239
Creditors: amounts falling due after more than one year	**19**		(10,290)		(15,902)
Net assets			844,772		760,337
Income funds					
Restricted funds	**26**		188		-
Unrestricted funds					
Designated funds	**27**	4,000		66,000	
General unrestricted funds	**27**	840,584		694,337	
			844,584		760,337
			844,772		760,337

EAST SOMERSET RAILWAY COMPANY LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2025

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2025.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The accounts were approved by the Trustees on 27 October 2026

M Marston-Grimley
Trustee

Company Registration No. 01261079

1 Accounting policies

Charity information

East Somerset Railway Company Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Cranmore Railway Station, Cranmore, SHEPTON MALLET, Somerset, BA4 4QP.

1.1 Accounting convention

The accounts have been prepared in accordance with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The charity has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the charity as an individual entity and not about its group.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Grants received to assist with specific expenditure are released to the statement of financial activities as the expenditure is incurred.

1 Accounting policies **(Continued)**

Income is only deferred when:

- Fees are received in advance of the event to which they relate;
- The donor specifies that the grant or donation must only be used in future accounting periods; and
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or repayable by the Bank.

Income is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

1.5 Resources expended

Expenditure is recognised once there is a legal or constructive obligation to make payment to a third party, it is probably that settlement will be required and the amount of the obligation can be measured reliably.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information is support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the charity. Governance costs are those incurred in connection with the administration of the charity and compliance with constitutional and statutory requirements.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	10% straight line
Plant and machinery	15% reducing balance / 10% straight line
Fixtures, fittings & equipment	15% reducing balance
Rolling stock	Not depreciated

The depreciation on rolling stock is £nil, this is due to the company's commitment to restore these assets to their original condition and to maintain and preserve them in that state. It is considered that the estimated residual value is at least equal to cost. Rolling stock is introduced at cost and revalued in line with insurance valuations of these assets as this is deemed the most accurate reflection of their value to the charity.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

All assets costing more than £750 are capitalised.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

A subsidiary is an entity controlled by the charity. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1 Accounting policies **(Continued)**

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible 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 (if any).

1.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 Financial instruments

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity’s contractual obligations expire or are discharged or cancelled.

1 Accounting policies **(Continued)**

1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

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

1.14 Leases

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

Assets held under finance leases are recognised as assets at the lower of the assets 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 net income/(expenditure) for the year 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 as an expense on a straight line basis over the term of the relevant lease.

2 Critical accounting estimates and judgements

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 other 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

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

Estimated useful lives of tangible fixed assets

In determining the estimated useful life the charity considers the expected physical wear and tear of the asset.

3 Donations and legacies

	Unrestricted funds £	Restricted funds £	Total 2025 £	Total 2024 £
Donations and gifts	16,052	-	16,052	28,796
Legacies receivable	109,629	-	109,629	-
Grant received	-	25,000	25,000	2,500
Gift Aid from subsidiary	-	-	-	60,676
	125,681	25,000	150,681	91,972
For the year ended 31 December 2024	91,972	-		91,972

4 Charitable activities

	2025 £	2024 £
Fares and Admissions	-	347,153

5 Other trading activities

	2025 £	2024 £
Fundraising events	36,908	38,877

6 Other income

	2025 £	2024 £
Subscriptions	6,584	6,266
Booking fees and sundry income	4,143	37,449
Wine and Dine income	-	29,913
Insurance claim receivable	-	18,237
	10,727	91,865

7 Raising funds

	2025	2024
	£	£
Fundraising and publicity		
Staging fundraising events	-	24,397

8 Charitable activities

	2025	2024
	£	£
Motive, Power and Operations	155	68,416
Civil Engineering	100	5,698
Workshop Consumables	-	4,494
Santa Specials	-	32,887
Freight Charter and Loco Hire	-	18,704
Lady of Legend	-	13,775
Punch and Judy	-	1,125
Rent and Rates	24,136	24,136
Services	-	61,456
Insurance	-	36,814
Repairs and overhaul costs	1,676	19,934
Property Expenses	2,814	1,183
	28,881	288,622
Share of support costs (see note 9)	83,075	225,549
Share of governance costs (see note 9)	1,925	2,780
	113,881	516,951
Analysis by fund		
Unrestricted funds	113,881	516,951
	113,881	516,951

9 Support costs

	Support costs	Governance costs	2025	2024
	£	£	£	£
Staff costs	-	-	-	92,641
Depreciation and loss on disposal	65,346	-	65,346	70,422
Advertising and Marketing	2,847	-	2,847	36,651
Postage, Stationery and Telephone	4,304	-	4,304	13,255
Bank Interest and Charges	2,552	-	2,552	8,201
Credit Card Charges	-	-	-	7,041
Sundry	2,211	-	2,211	4,613
Legal and Professional	994	-	994	1,475
Accountancy Fees	4,255	-	4,255	2,050
Bad Debt Provision	566	-	566	(10,800)
Independent Examiners Fees	-	1,925	1,925	1,750
Director's insurance	-	-	-	1,030
	83,075	1,925	85,000	228,329
Analysed between				
Charitable activities	83,075	1,925	85,000	228,329

Support costs includes payments to the independent examiner of £4,255 (2024:£2,050) for accountancy services and £nil (2024:£nil) for other services.

10 Net movement in funds

	2025	2024
	£	£
The net movement in funds is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	64,061	65,207
Loss on disposal of tangible fixed assets	1,285	5,215

11 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

12 Employees

The average monthly number of employees during the year was:

	2025 Number	2024 Number
	-	7

Employment costs	2025 £	2024 £
Wages and salaries	-	86,542
Social security costs	-	5,206
Other pension costs	-	893
	-	92,641

There were no employees who received employee benefits of more than £60,000.

13 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

14 Tangible fixed assets

	Leasehold improvements	Plant and machinery	Fixtures, fittings & equipment	Rolling stock	Total
	£	£	£	£	£
Cost					
At 1 January 2025	-	639,661	61,093	170,000	870,754
Additions	26,784	117,387	1,750	23,444	169,365
Disposals	-	(2,783)	-	-	(2,783)
At 31 December 2025	26,784	754,265	62,843	193,444	1,037,336
Depreciation and impairment					
At 1 January 2025	-	279,814	48,374	-	328,188
Depreciation charged in the year	1,653	60,031	2,377	-	64,061
Eliminated in respect of disposals	-	(1,498)	-	-	(1,498)
At 31 December 2025	1,653	338,347	50,751	-	390,751
Carrying amount					
At 31 December 2025	25,131	415,918	12,092	193,444	646,585
At 31 December 2024	-	359,847	12,719	170,000	542,566

Rolling stock includes trains that are occasionally rented out on an operating lease basis. Such rentals are normally for short periods, and when not being leased the assets are used in the day to day activities of the charity.

Rolling stock has been revalued in line with insurance valuations of these assets as this is deemed the most accurate reflection of their value to the charity. The directors believe that these values are relevant in relation to market value at 31 December 2025. The original cost of these assets is £100,977.

15 Fixed asset investments

	Other investments
Cost or valuation	
At 1 January 2024 & 1 January 2025	25,000
Carrying amount	
At 31 December 2025	25,000
At 31 December 2024	25,000

Other investments comprise:	Notes	2025 £	2024 £
Investments in subsidiaries	25	25,000	25,000

The charity's investment represents 100% of the ordinary share capital of the subsidiary undertaking Cranmore Railway Company Limited, which carries on the trading activities of the group and is registered in England (Registered Number 01094413).

The aggregate share capital and reserves of the subsidiary at 31 December 2025 amounted to £25,000 (2024:£25,000)

16 Stocks

	2025 £	2024 £
Raw materials and consumables	-	11,869

17 Debtors

Amounts falling due within one year:	2025 £	2024 £
Trade debtors	77	614
Amounts owed by subsidiary undertakings	47,329	42,682
Other debtors	5,454	25,586
Prepayments and accrued income	6,034	20,906
	58,894	89,788

18 Creditors: amounts falling due within one year

	Notes	2025 £	2024 £
Obligations under finance leases	**20**	5,613	5,613
Other taxation and social security		-	894
Deferred income	**21**	-	5,492
Trade creditors		54	17,530
Other creditors		-	4,271
Accruals		4,512	30,861
		10,179	64,661

19 Creditors: amounts falling due after more than one year

	Notes	2025 £	2024 £
Obligations under finance leases	**20**	10,290	15,902

20 Finance lease obligations

Future minimum lease payments due under finance leases:

	2025 £	2024 £
Within one year	5,613	5,613
Within two and five years	10,290	15,902
	15,903	21,515

Finance lease payments represent rentals payable by the charity for plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is five years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments. A commercial rate of interest is charged on each hire purchase agreement.

Assets held on hire purchase agreements are secured on the asset to which they relate.

21 Deferred income

	2025	2024
	£	£
Other deferred income	-	5,492

	2025	2024
	£	£
Current liabilities	-	5,492
	-	5,492

Movement in the year	2025	2024
	£	£
At 1 January 2025	5,492	7,359
Amount released to income earned from charitable activities	(5,492)	(7,359)
Amount deferred in the year	-	5,492
At 31 December 2025	-	5,492

Deferred income related to vouchers purchased in 2024 that were used in 2025.

22 Retirement benefit schemes

Defined contribution schemes

The charity previously operated a defined contribution pension scheme for all qualifying employees. This has now ceased and all staff are now employed and paid the its trading subsidiary.

The charge to the profit or loss in respect of defined contribution schemes was £nil (2024:£893).

At 31 December 2025, the charity had a liability for pension payment owing of £nil (2024:£178).

23 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2025	2024
	£	£
Within one year	21,016	21,016
Between two and five years	74,383	77,149
In over five years	371,083	389,333
	466,482	487,498

24 Related party transactions

Transactions with related parties

During the year the charity entered into the following transactions with related parties:

	2025	2024
	£	£
Key management personnel	-	19,743

During the year there were transactions between East Somerset Railway Company and subsidiary Cranmore Railway Company. Facilities costs recharged of £25,872 (2024:£25,872) were payable by Cranmore Railway Company in the year. At year end, £47,329 (2024:£42,682) was due from subsidiary Cranmore Railway Company.

Trustee S Masters is an employee of the Dartmouth Steam Railway and Riverboat Company. During the year £nil (2024:£1,073) was received from Dartmouth Steam Railway and Riverboat Company for services, which was invoiced under normal market conditions. No amounts were due at year end.

25 Subsidiaries

These financial statements are separate charity financial statements for East Somerset Railway.

Details of the charity's subsidiaries at 31 December 2025 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct	% Held Indirect
Cranmore Railway Company Limtied	Cranmore, Nr Shepton Mallet, Somerset, BA4 4QP	Carries on the trading activities of the group.	Ordinary	100.00	

26 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

		Movement in funds			
	Balance at 1 January 2025	Incoming Resources	Resources Expended	Transfers	Balance at 31 December 2025
	£	£	£	£	£
Erth Project	-	25,000	-	(24,812)	188
	-	25,000	-	(24,812)	188

The Erth Project is a fund to restore the St Erth Footbridge.

The transfer of £24,812 to unrestricted funds is a reflection of the restricted income being spent on capital expenditure.

There were no restricted funds, or restricted fund movement, during the year ended 31 December 2024.

27 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	Balance at 1 January 2025	Incoming resources	Resources expended	Transfers	Gains and losses	Balance at 31 December 2025
	£	£	£	£	£	£
46447 Fund	62,000	-	(8,613)	(53,387)	-	-
Lady Nan Fund	4,000	-	-	-	-	4,000
Designated funds	66,000	-	8,613	(53,387)	-	4,000
General funds	694,337	173,316	(105,268)	78,199	-	840,584
Total unrestricted funds	760,337	173,316	(113,881)	24,812	-	844,584

Prior year	Balance at 1 January 2024	Incoming resources	Resources expended	Transfers	Gains and losses	Balance at 31 December 2024
	£	£	£	£	£	£
46447 Fund	62,000	-	-	-	-	62,000
Lady Nan Fund	4,000	-	-	-	-	4,000
Designated funds	66,000	-	-	-	-	66,000
General funds	649,250	569,867	(541,348)	-	16,568	694,337
Total unrestricted funds	715,250	569,867	(541,348)	-	16,568	760,337

The 46447 Fund has been set aside towards the next overhaul.
The Lady Nan Fund has been set aside towards the next overhaul.

28 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total
	£	£	£
Fund balances at 31 December 2025 are represented by:			
Tangible assets	646,585	-	646,585
Investments	25,000	-	25,000
Current assets/(liabilities)	183,289	188	183,477
Long term liabilities	(10,290)	-	(10,290)
	844,584	188	844,772

Prior year

	Unrestricted funds	Restricted funds	Total
	£	£	£
Fund balances at 31 December 2024 are represented by:			
Tangible assets	542,566	-	542,566
Investments	25,000	-	25,000
Current assets/(liabilities)	208,673	-	208,673
Long term liabilities	(15,902)	-	(15,902)
	760,337	-	760,337