

**SOUTH WEST MAIN LINE STEAM COMPANY
(A Charitable Company Limited by Guarantee)**

Registered in England and Wales - Number 2929246

Charity - Number 1043581

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the Year Ended 31st May 2022

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SOUTH WEST MAIN LINE STEAM COMPANY

Independent examiners report to the trustees of South West Main Line Steam Company

I report to the charity trustees on my examination of the accounts of the company for the year ended 31 May 2022.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

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

Independent examiner's statement

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

- 1 Accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
- 2 The accounts do not accord with those records; or
- 3 The accounts do not comply with the accounting requirements of section 396 of the 2006 Act. Other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
- 4 The accounts 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 accounts 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 accounts to be reached.

S J Cook ACA
8 Friars Avenue, Yeovil, Somerset BA20 3HY
29 March 2023

OFFICERS AND OTHER INFORMATION

For the Year Ended 31st May 2022

DIRECTORS/TRUSTEES

Mr P H Gould - Chairman
Mr J Miller- Vice Chairman
Mr R C W Abbott
Mr J W Durring
Mr M Hibberd
Mr A J Reese
Mr J M Read - Resigned 11 October 2021
Mr D R Woodland
Mr R W Johns
Mr A K Sugg
Mr P C Chainey

INDEPENDENT EXAMINER

Mr S J Cook

CHARITY REGISTERED

Number 1043581

COMPANY REGISTERED

Number 2929246

REGISTERED OFFICE

Yeovil Junction Station
Stoford
Yeovil
Somerset
BA22 9UU

BANKERS

Barclays Bank plc
King George Street
Yeovil
Somerset
BA20 1PX

TRUSTEES' REPORT**For the Year Ended 31st May 2022**

The Trustees (who are also the Directors for the purposes of Company Law) submit their annual report and the unaudited financial statements of the company for the year ended 31st May 2022. The provisions of the Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP FRS 102 – implemented 1 January 2015) and the special provisions relating to small companies within Part 15 of the Companies Act 2006 have been adopted in preparing the annual report and financial statements of the charity.

The governing document is the Memorandum and Articles of Association dated 16 May 1994 (Note 18).

Trustees are appointed at the Annual General Meeting. One-third of the Trustees retire by rotation annually and may seek re-election. The Trustees may co-opt new Trustees who must then seek election at the next Annual General Meeting. There must be no less than three Trustees at any one time, but there is no maximum number of Trustees.

New Trustees are initially assisted by other Trustees and are directed to Charity Commission publications regarding trustee responsibility.

No Trustee has a beneficial interest in the Company. All Trustees are members of the Company.

The Company has no employees.

PUBLIC BENEFIT and PRINCIPAL ACTIVITY

The principal activity of the Company continues to be operating and upgrading the site at Yeovil Railway Centre, Yeovil Junction. It offers the general public the opportunity to see servicing and turning of main steam line engines at close quarters. Regular Steam Train Days are also held when demonstrations and commentary are given and exhibitions offered to provide insight into the operation of railways in general and around Yeovil in particular. Occupying the Transfer Shed provides a direct link to the early days of railways and the difference in gauges between the Railway Companies.

The trustees report that the charitable activities described are for the public benefit. The trustees also confirm that they have complied with section 4 of the Charities Act to have due regard to the public benefit guidance published by the Charity Commission.

REVIEW OF THE BUSINESS

Following on from the relaxation of Covid restrictions in May 2021, the Centre was able to run a modified series of open days thereafter (initially with pre-booking and socially distanced arrangements in place) which were very well attended our visitors. In particular the Tractor & Trains day on 1 August attracted around 500 guests despite the rain which was probably a record for a normal event and the Santa Specials were fully booked with some 2000 visitors over 5 days and a new Tea with Santa afternoon. The Centre was glad to have two Model Railway events in the year and also the return of Model Railway Swap Meets.

On the other hand, main line steam saw only two visits in July and August, the market not being helped by the recent pandemic.

Projects and maintenance had been largely been put on hold during the Covid restrictions and there was a significant amount of restarting, refreshing of volunteers and general catching up to do without safety being compromised. Thanks are due to the Trustees and Volunteers for the efforts made to get the Centre back fully operating. It was pleasing that there was no drop off of volunteer numbers due to the period of inactivity.

TRUSTEES' REPORT (CONTINUED)
For the Year Ended 31st May 2022

The Centre was very pleased to see the return of Peckett 'Pectin' to service after an extended overhaul.

Financially, income exceeded expenditure by £1462.53 in the year to 31 May 2022. There were some one-off income receipts (Gift Aid £4468), Covid Grant (£3917) as well as the continuing sale of Limited Edition Model Railway Wagons which provided an extra income stream. A one-off expenditure was the transport of donated track from Chichester (£11474). The Centre is at present in a good financial position although facing uncertainties ahead, particularly with increased costs (coal, energy) and a potential downturn in attending visitors due to their own increasing costs. The Trustees will continue to exercise financial caution.

Statement of Trustees' Responsibilities

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with 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).

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 charitable company and of the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

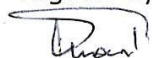
- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- There is no relevant information of which the charitable company's independent examiner is unaware; and
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant information and to establish that the independent examiner is aware of that information.

Signed by order of the trustees on 27 March 2023



PH Gould
Chairman and Trustee

INCOME AND EXPENDITURE ACCOUNT
For the Year Ended 31st May 2022

	NOTE	2022	2021
INCOME	2	77,739.76	25085.04
Operating expenses	3	80,202.66	37648.62
		-----	-----
		(2,462.90)	(12563.58)
Other Operating Income	5	3,917.00	18674.00
OPERATING SURPLUS/(DEFICIT)	5	1,454.10	6110.42
Bank interest received		8.43	21.14
		-----	-----
SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES		1,462.53	6131.56
RETAINED SURPLUS BROUGHT FORWARD		110,191.15	104059.59
		-----	-----
RETAINED SURPLUS CARRIED FORWARD		£111,653.68	£110191.15
		=====	=====

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

BALANCE SHEET
As at 31st May 2022

	NOTE	2022	2021
FIXED ASSETS			
Tangible assets	6	49,451.49	51161.12
		-----	-----
		49,451.49	51161.12
		-----	-----
CURRENT ASSETS			
Stock		3,511.00	-
Debtors	7	2,254.64	736.61
Cash at bank & in hand		96,772.84	90736.45
		-----	-----
		102,538.48	91473.06
		-----	-----
CURRENT LIABILITIES			
Creditors	8	1,883.94	403.00
		-----	-----
NET CURRENT ASSETS		100,654.54	91070.06
TOTAL ASSETS LESS LIABILITIES		£150,106.03	£142231.18
		=====	=====
RESERVES			
Income & expenditure account		111,653.68	110191.15
Engine Overhaul Fund	9	27,921.48	26186.45
Toilet Block Fund	10	10,530.87	5853.58
		-----	-----
		£150,106.03	£142231.18
		=====	=====

These accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006.

For the year ending 31 May 2022 the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

Approved by the directors on 27 March 2023



Paul Gould - Chairman

NOTES TO THE FINANCIAL STATEMENTS**For the Year Ended 31st May 2022**

1. ACCOUNTING POLICIES**a) Basis of accounting**

South West Main Line Steam Company is a Company limited by guarantee incorporated in England and Wales under the Companies Act. The address of the registered office is given on page 1. The nature of the charity's operations and its principal activities are set out in the Trustees report on pages 2-4.

The financial statements have been prepared under the historic cost convention. The financial statements have been prepared in accordance with 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 2015)-(Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The charity meets the definition of public benefit under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

b) Tangible fixed assets

Tangible fixed assets are stated at historic cost or transaction cost less accumulated depreciation.

c) Depreciation

Provision for depreciation is made so as to write off the book values of tangible fixed assets over their expected useful lives by means of the straight line method at the following rates. In the opinion of the directors, the value of the engine shed and rolling stock will not fall below cost value, therefore these assets are not depreciated. The Directors' policy is to fully depreciate the cost of acquiring rails in the year of acquisition. All other assets are depreciated at 20% per annum. Depreciation is not charged in the year of acquisition.

d) Stock

Stock is the value of shop stock purchased for resale and remaining on hand at the year end and is valued at the lower of cost and net realisable value.

e) Debtors

Trade debtors are recognised at the settlement amount due.

f) Creditors

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in a transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at their settlement amount.

g) Operating leases

Rentals payable under operating leases are charged in the statement of financial activities on a straight line basis over the lease term.

h) Government Grants

Government Grants of a revenue nature are recognised under the accruals model resulting in income being recognised on a systematic basis over the period. The income is recognised as other income in the profit and loss account.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended 31st May 2022

2. INCOME

Income, which arose wholly within the United Kingdom, is attributable to the principal activities of the company and is recognised where there is an entitlement, certainty of receipt, and the amount can be measured with sufficient reliability.

3. EXPENDITURE

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related that category.

4. TAXATION

As a registered charity, the company is exempt from corporation tax and capital gains tax, to the extent which income and gains are applied to charitable purposes. The company is not exempt from Value Added Tax (VAT). Irrecoverable VAT is included in the costs of those items to which it relates.

5. OPERATING SURPLUS

2022

2021

The operating surplus is stated after charging:

Depreciation of tangible fixed assets	13,184.13	2096.49
	=====	=====

During the year other income of £3,917 was received from the Government in respect of a Coronavirus grant. The amount of grants recognised in the financial statements is £3,917 (2021 - £18,674)

6. TANGIBLE FIXED ASSETS

	Engine Shed	Structure & Buildings	Track Extension	Rolling Stock
Cost				
As at 1 st June 2021	29109.11	6292.40	-	15689.33
Additions	-	-	11474.50	-
	-----	-----	-----	-----
As at 31 st May 2022	29109.11	6292.40	11474.50	15689.33
	=====	=====	=====	=====
Depreciation				
As at 1 st June 2021	-	6292.40	-	-
Charge for the year	-	-	11474.50	-
	-----	-----	-----	-----
As at 31 st May 2022	-	6292.40	11474.50	-
	=====	=====	=====	=====
Net Book Value				
As at 31 st May 2022	£29109.11	£0	£0	£15689.33
	=====	=====	=====	=====
As at 1 st June 2021	£29109.11	£0	£0	£15689.33
	=====	=====	=====	=====

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended 31st May 2022

6. TANGIBLE FIXED ASSETS (CONTINUED)

	Other Equipment	Total
Cost		
As at 1 st June 2021	65876.82	116967.66
Additions	-	11474.50
	-----	-----
As at 31 st May 2022	65876.82	128442.16
	=====	=====
Depreciation		
As at 1 st June 2021	59514.14	65806.54
Charge for the year	1709.63	13184.13
	-----	-----
As at 31 st May 2022	61223.77	78990.67
	=====	=====
Net Book Value		
As at 31 st May 2022	£4653.05	£49451.49
	=====	=====
As at 1 st June 2021	£6362.68	£51161.12
	=====	=====

7. DEBTORS

	2022	2021
Prepayments	262.50	-
Value added tax	1,992.14	736.61
	-----	-----
	2,254.64	736.61
	=====	=====

8. CREDITORS

	2022	2021
Sundry Creditors	731.44	-
Monthly subs and donations in advance	452.50	403.00
Ruston Fund	700.00	-
	-----	-----
	1,883.94	403.00
	=====	=====

9. ENGINE OVERHAUL FUND

	2022	2021
Opening Balance	26,186.45	28153.66
Income through Milk Churn	63.45	-
Interest received during the year	15.41	36.85
Transfer from operating funds	3,000.00	3000.00
Cost of overhauling Pectin	(1,343.83)	(5004.06)
	-----	-----
	27,921.48	26186.45
	=====	=====

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**For the Year Ended 31st May 2022****9. ENGINE OVERHAUL FUND (CONTINUED)**

Following the gift of steam locomotive 'Pectin' to the company by the 6000 Locomotive Association, donations of £22,510.00 were received. These sums are available to the company for any use. However, the Trustees have elected to set up a specific 'Engine Overhaul Fund' to finance the current and next boiler overhaul. A transfer of £250.00 per month is being made from the company's operating account into this fund, and interest received on the fund balance is added to the fund.

10. TOILET BLOCK FUND

	2022	2021
Opening Balance	5,853.58	661.65
Income through donations	11,313.50	6032.07
Income from Gift Aid	226.50	-
Costs	(6,862.71)	(840.14)
	-----	-----
	10,530.87	5853.58
	=====	=====

11. OPERATING LEASE COMMITMENTS

As at 31 May 2022 the charity had annual commitments under non-cancellable operating leases as follows:

	2022	2021
Operating leases which expire:		
Over five years	1600.00	1000.00
	=====	=====

12. TRUSTEES' EXPENSES

No trustee has been paid remuneration or a general expenses allowance for their services as a trustee. Trustees are reimbursed for specific expenses incurred on behalf of the company for travelling, stationery & postage etc. and for authorised purchases made personally on behalf of the company.

13. CASH RESERVES

The Trustees will maintain designated Funds for specific projects (eg Engine Overhaul Fund for future locomotive overhauls) and also endeavour to maintain, on a prudent basis, adequate unrestricted cash balances for other day to day activities of the Company with a minimum set of £10,000. Surplus unrestricted cash balances are currently in excess of this level. The Company has a restricted fund for the construction of a replacement toilet block. All other funds are unrestricted.

14. INVESTMENT POWERS AND POLICY

The Trustees keep available funds liquid and the surplus over everyday requirements in an interest bearing account. Interest rates are low so the returns at present are not significant.

15. RISK MANAGEMENT

The Trustees have a Risk Management strategy:-

- a) An annual review of the principal risks and uncertainties the charity faces. The establishment of policies to mitigate those risks.
- b) Attention is also focused on non-financial risks arising from train operations, site operations, fire, Health & Safety and food hygiene. These risks are managed through accreditation, Safety Management Systems and ongoing checks of their implementation.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended 31st May 2022

16. CHILDREN AND VULNERABLE ADULTS

The Trustees have in place appropriate policies for these groups.

17. PLANS FOR FUTURE PERIODS

Enhancements to our offering to the public must continue. However, Covid-19 has delayed some of our future plans and projects. With a return to a degree of normality, work on the replacement Toilet Block planning and extension of the railway onto the South Chord have re-started. The latter will provide a modest platform. This would enable the sympathetic development of the field above giving a proper destination. Subject to various approvals and funding being found.

18. GOVERNING DOCUMENT

South West Main Line Steam Company is a company limited by guarantee, Incorporated on 16 May 1994 and governed by its Memorandum and Article of Association. In the event of winding-up, every member undertakes to contribute a sum not exceeding ten pounds to cover any debts and liabilities. Its Objects are to educate and maintain a museum for the benefit of the public of items of historical interest formerly associated with land transport since the 19th Century and in particular but not exclusively the London and South Western Railway Company. Also to maintain and operate for the benefit of the public the Turntable, Water Tower and other structures and facilities at Yeovil and facilities for the operation of steam locomotives at Yeovil and elsewhere.