

**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 2023

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OFFICERS AND OTHER INFORMATION

For the Year Ended 31st May 2023

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 D R Woodland
Mr R W Johns
Mr A K Sugg
Mr P C Chainey
Mr A Broadhead – from 17 May 2023

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

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 2023.

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 your 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 the 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
Croslands, 1A Danielsfield Road, Yeovil, Somerset BA20 2LR
11 March 2024

TRUSTEES' REPORT**For the Year Ended 31st May 2023**

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 2023. 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

The year ended 31 May 2023 proved to be a successful one for the Centre, especially the larger events. Our Tractor and Trains event was expanded to two days with a large number of visitors and exhibits whilst Santa Specials exceeded the record set the previous year in numbers (2343) and financial return up by almost £7000. Our regular events held their own, making a continued good return to help cover the overheads.

Main Line steam on the other hand continued to appear in modest numbers with 4 different locomotives being noted.

Other notable events included the takeover of Wessex Wagons from Bruce and Helen Harding who continued helping for some time to enable a smooth transition. We are very grateful to them. The commission and sale of bespoke Model Railway wagons fits in well with our aims. Volunteers attend various Model Railway exhibitions with the majority of sales being made on-line. Wessex Wagons has proved to be a well worthwhile acquisition although many unpaid hours are given by volunteers to achieve this.

On 17 June 2022, on loan steam engine 'Lord Fisher' was withdrawn from service with its boiler ticket expiring. Some dismantling has taken place to ascertain what repairs are required to achieve a return to service and the costs involved.

TRUSTEES' REPORT (CONTINUED)**For the Year Ended 31st May 2023**

The Centre has been advised that the existing agreement (overhaul and run with no hire fees) can continue at the Centre's discretion. Some significant (and expensive) work is anticipated to the boiler this time.

In February 2023, physical work commenced on the replacement Toilet Block with the footings and foundations completed at year end. The Centre is very grateful to its supporters for their contributions to the Appeal, making the construction possible, although it is anticipated that the Centre will also need to use its own funds as work progresses. There are funds available to do this.

Income exceeded expenditure by £37156.23. Some £9000 extra received from the Tractor & Santa events over the previous year with the remainder from Wessex Wagons and other continuing income streams, including the Shop, Catering, Memberships and Donations as well ongoing public open days. As the Toilet Block progresses, the Centre's expenditure will rise in the next financial year, offsetting much of the surplus made.

The Centre's financial position continues to be satisfactory although the concerns around costs, in particular energy and coal continue, coupled with the Cost of Living crisis impacting on future visitor numbers. 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 judgments 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 February 2024

P H Gould

Chairman and Trustee



INCOME AND EXPENDITURE ACCOUNT
For the Year Ended 31st May 2023

	NOTE	2023	2022
INCOME	2	114,130.73	77739.76
Operating expenses	3	77,017.96	80202.66
		-----	-----
		37,112.77	(2462.90)
Other Operating Income		-	3917.00
		-----	-----
Operating Surplus	5	37,112.77	1454.10
Bank interest received		43.56	8.43
		-----	-----
SURPLUS ON ORDINARY ACTIVITIES	10	37,156.33	1462.53
		=====	=====

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 2023

	NOTE	2023	2022
FIXED ASSETS			
Intangibles assets	6	2,000.00	-
Tangible assets	7	64,569.13	49451.49
		-----	-----
		66,569.13	49451.49
		=====	=====
CURRENT ASSETS			
Stock		18,143.46	3511.00
Debtors	8	3,374.33	2254.64
Cash at bank & in hand		105,770.91	96772.84
		-----	-----
		127,288.70	102538.48
		=====	=====
CURRENT LIABILITIES			
Creditors	9	3512.88	1883.94
		-----	-----
NET CURRENT ASSETS		123,775.82	100654.54
		=====	=====
TOTAL ASSETS LESS LIABILITIES		£190,344.95	£150106.03
		=====	=====
RESERVES			
Income and expenditure account	10	159,340.88	111,653.68
Engine Overhaul Fund	10	31,004.07	27921.48
Toilet Block Fund	10	0.00	10530.87
		-----	-----
		190,344.95	150106.03
		=====	=====

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 2023 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 28 February 2024



NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31st May 2023**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) Intangible fixed assets

The intangible fixed asset relates to goodwill purchased from another business enterprise. It is being amortised on a straight line basis over its estimated useful life of 5 years.

c) Tangible fixed assets

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

d) Depreciation

The leasehold property improvements are being written off at the rate of 2% per annum on the straight line basis. The company currently has a 99 year lease which expires on 31 July 2114.

In the opinion of the directors, the value of the rolling stock will not fall below its cost value and therefore these assets are not depreciated. The directors regularly review this assertion.

The other equipment is being written off at the rate of 20% per annum on the straight line basis.

e) Stock

Stock relates to stock purchased for resale as well as to stock of unused coal at the year end. Stock is valued at the lower of cost and net realisable value.

f) Debtors

Trade debtors are recognised at the settlement amount due.

g) 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.

h) Operating leases

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

i) 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 2023

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 2023 2022

The operating surplus is stated after charging:

Amortisation of intangible fixed assets	500.00	
Depreciation of tangible fixed assets	2291.81	13184.13
	=====	=====

During the year other income of £nil was received from the Government in respect of a Coronavirus grant. The amount received in the previous year was £3917.00

6. Intangible Fixed ASSETS 2023

Additions 2500.00

Amortisation to 31 May 2023 (500.00)

Balance as at 31 May 2023 2000.00

Balance as at 1 June 2022 -

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**For the Year Ended 31st May 2023****7. TANGIBLE FIXED ASSETS**

	Engine Shed	Structure & Buildings	Track Extension	Toilet Block
Cost				
As at 1 st June 2022	29109.11	6292.40	11474.50	-
Additions	-	-	-	17409.45
	-----	-----	-----	-----
As at 31 st May 2023	29109.11	6292.40	11474.50	17409.45
	=====	=====	=====	=====
Depreciation/Amortisation				
As at 1 st June 2022	-	6292.40	11474.50	-
Charge for the year	582.18	-	-	-
	-----	-----	-----	-----
As at 31 st May 2023	582.18	6292.40	11474.50	-
	=====	=====	=====	=====
Net Book Value				
As at 31 st May 2023	£28526.93	£0	£0	£17409.45
	=====	=====	=====	=====
As at 1 st June 2022	£29109.11	£0	£0	£0
	=====	=====	=====	=====

	Rolling Stock	Other equipment	Total
Cost			
As at 1 st June 2022	15689.33	65876.82	128442.16
Additions	-	-	17409.45
	-----	-----	-----
As at 31 st May 2023	15689.33	65876.82	145851.61
	=====	=====	=====
Depreciation/amortisation			
As at 1 st June 2022	0.00	61223.77	78990.67
Charge for the year	0.00	1709.63	2291.81
	-----	-----	-----
As at 31 st May 2023	0.00	62933.40	81282.48
	=====	=====	=====
Net Book Value			
As at 31 st May 2023	15689.33	2943.42	64569.13
	=====	=====	=====
As at 1 st June 2022	15689.33	4653.05	49451.49
	=====	=====	=====

The company is in the process of building a toilet block and at 31 May 2023 it is still in the course of construction. No amortisation will be provided until construction has been completed and the block has been brought into use

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. DEBTORS	2023	2022
Prepayments	92.50	262.50
Value added tax	3,281.83	1992.14
	-----	-----
	3,374.33	2254.64
	=====	=====

9. CREDITORS	2023	2022
Sundry Creditors	2360.38	731.44
Monthly subs and donations in advance	452.50	452.50
Ruston Fund	700.00	700.00
	-----	-----
	3512.88	1883.94
	=====	=====

10. RESERVES	Income and Expenditure Account	Engine Overhaul Fund	Toilet Block Fund
Balance at 1 June 2022	111,653.68	27,921.48	10,530.87
Retained surplus for year	31,118.18		6,038.15
Transfer from general Funds		3,000.00	
Income		107.59	
Costs		-25.00	
Transfer between reserves	16,569.02		-16,569.02
	-----	-----	-----
Balance at 31 May 2023	159,340.88	31,004.07	0.0
	=====	=====	=====

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.

The toilet block fund is a restricted fund for the construction of a toilet block. Monies raised towards this project are included in this reserve and are released into general funds when construction costs have been made. The costs incurred are included as leasehold property improvements. During the year costs incurred have exceeded the amount of monies raised up to 31 May 2023 and therefore all of the balance of the toilet block fund has been released to the general profit and loss reserve.

11. OPERATING LEASE COMMITMENTS

As at 31 May 2023 the charity had annual commitments under non-cancellable operating leases as follows:

Operating leases which expire:	2023	2022
Over five years	1328.00	1600.00

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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. 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.

16. CHILDREN AND VULNERABLE ADULTS

The Trustees have in place appropriate policies for these groups.

17. PLANS FOR FUTURE PERIODS

The Centre was pleased that the number of returning volunteers after Covid was unchanged and it is planned to attract new volunteers through advertising and posters to maintain the current level at least. The Toilet Block will be the main special project with completion aimed for Summer 2024. Planning for the South Chord extension is proceeding with some track materials already in hand, thanks to the hard work of volunteers. Fundraising for this will be required as well as an input from the Centre. All approvals have been received

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.