

REGISTERED COMPANY NUMBER: 03038464 (England and Wales)
REGISTERED CHARITY NUMBER: 1045547

Report of the Trustees

and

Unaudited Financial Statements for the Year Ended 31 March 2021

for

Somerset & Dorset Railway Heritage Trust

David R Johnson & Co
Chartered Certified Accountants
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Report of the Trustees for the Year Ended 31 March 2021

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2021. The trustees have adopted the provisions of 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

Objectives and Activities

The Trust and S&DJR Company have distinct but over-lapping functions. The Trust is essentially responsible for property, railway assets, funding, heritage, education and publications. The Company oversees railway operations and commercial activity (shop and catering), with support from the Trust. The Company is effectively owned by the Trust and endorses recommendations from the Company to add to the working Directors. The Trust leaves all aspects of commercial activity to the Company to determine, supervise and audit. Both Company and Trust continue to work towards having different people on both Boards. Any profit made by the Company is gifted to the Trust as appropriate.

This report focuses on Trust activity in the financial year 2020-21, ending in March 2021 but with inevitable cross-references to Company activity. The pandemic that has affected every aspect of our lives has had serious effects throughout the heritage railway industry with railways legally being forced to close to counter the infection. When the railway was able to open it was for a limited time. When closed we were able thanks to a number of local volunteers to safeguard the property and our assets but significant trespass on the track was a problem during lockdown. Examination of maintenance of railway vehicles was undertaken prior to restoration of services with party numbers restricted to six or less. Nonetheless, progress continues to be made in both developing the overall project (Trust) and consolidating railway operations (Company) and both Trust and Company met regularly via Zoom or Microsoft Teams. Liaison between the Company and Trustees is ongoing and regular especially in regard to the direction that the Trust is taking in respect of the Outline Planning Consent applied by the Planning Authority. That work is ongoing. One key aspect of the Outline Planning Application was a substantial application for funding made to the Heritage Lottery Fund and whilst the application proceeded to the second stage, it like every other application made just before the pandemic struck in earnest was then rejected so that HLF funds could be allocated to the more urgent needs created by the pandemic. Unfortunately, because we had no employees, we were unable to access any of these funds or the majority of the help that the government applied to safeguard business that were in far more need. We were however able to access £10,000 from Bath & North East Somerset Council which was applied to help organisations through the pandemic and we applied those funds specifically for Covid prevention measure when volunteers were able to return and the Company was able to run trains. Those measures ensured that within the reporting period we did not have any Track and Trace issues and that has continued into 2021.

Volunteers

The Trust values all its members whether sedentary or active but working volunteers are particularly appreciated. The pandemic clearly affected the ability of working volunteers to meet at the station and the value of volunteer contributions based at around £50 per day was reduced substantially from over £200K in 2019/20 to £50K in 2020/21. Sadly, we lost a few members directly to Covid over the year and we send our condolences to the affected families but as regards volunteers the measures we took meant that none of our regular volunteers were affected. As the age profile of our volunteers means that the vast majority of them would have been eligible for two vaccinations early on, we have been able to safeguard both them and visitors to the site when the latter have been allowed to return.

ACHIEVEMENT AND PERFORMANCE

Overview of the year and project development

The Company was only able to run limited services because of the pandemic but remarkably, they were able to run an early Gala and to put on Santa specials, something denied the vast majority of railways across the nation because of the category of lockdown they were in. For the Santa specials, we were able to approach B&NES who authorised our continuing action as being legal as an outdoor attraction and the reports from families on Facebook and other social media made the decision to continue worthwhile when other attractions were closed down. Joyce, the privately owned Sentinel performed faultlessly as did the diesel locomotives, our Trust's BR Class 08 and the loaned BR Class 03. The Trust's other diesel English Electric D1120 was removed to Rowsley for the fitting of vacuum braking.

With regards to coaching stock the expertise shown in keeping the current three coaches in working order by the small but dedicated team has been fully applied to the RMB which looks as good as new. The opportunity to purchase a further Mk1 based at Cranmore was taken but the pandemic has prevented the Trust from gaining the necessary funds to convert it into a disabled coach. It remains pro tem at Cranmore whilst further funding is sought. The renovation of two coal wagons from Swanage was curtailed during the lockdowns with attention turned to other projects to suit the volunteer skills that were able to attend on site such as the PalVan that was also donated from the Swanage Railway. The renovation will continue into 2021/22, The Trust has been donated a further mineral wagon from the National Railway Museum of a type that saw usage on the S&D. Our aim to create a goods train of the type seen in the 1950s is thus progressing satisfactorily. We are particular grateful to the membership for helping fund that overarching aim.

The restoration of the RMB has enabled the Trust to sell on vehicles that do not fit the 1950/60 era of railway operation that has been a long term primary aim of the Trust. The BR Mk3 Buffet coach built in the 1970s and former Marylebone DMU trailer coach have been sold but Covid has delayed their final removal into the 21/22 financial year. Two other vehicles, the Dace and the Iron ore tippler, which again are not prototypical of the 1950/60's era on the S&D have both been sold and will shortly be moving off site to new homes. The limited space within the goods shed is always being put to good use on renovations and the PalVan will emerge fully restored by the time of the AGM.

Outline Planning Conditions

Selection of a company to prepare the Reserved matters application has taken up a large amount of the Trust's regular monthly meetings. These meetings pre Covid were every two months but Trustees felt that it important to progress matters given that the clock is ticking on ensuring that all or part of the conditions are met and the first sod cut. To that end, and after a considerable amount of discussion and assessment, Trustees agreed, after competitive tendering, to ask Mott MacDonald to assist the Trust firstly in the work needed to discharge the conditions and to work on the standards that will be applicable to the Somervale shed.

Other site developments

Trustees have not simply concentrated on the Somervale site but have been looking at a site near Tunnel Lane for a maintenance shed and to that end the Trust has purchased an option on a site at that location. We started to look at the potential for extending operations in both directions to Radstock and Chilcompton and discussions have been progressing with key players at all levels as far as Covid restrictions allowed us. Work on all of these will take some considerable time but will accelerate as Covid restrictions are lifted. Trustees started in 20/21 to look at the creation of a series of booklets that will set out our aims, likely costs, timescales and where identifiable funding sources.

The Retail Team were looking to expand out of the cramped shop in the station building and a number of options were looked at. This included the possible use of the former

Marylebone TCL DMU vehicle but the opportunity arose for acquisition of a BR Covered Carriage Truck (CCT). This type of vehicle was seen in trains on the S&D during the last years of the lines operation so fits in with the Trusts vehicle acquisition policy. Since its arrival on site the CCT progress towards its use for the sale of books has been swift and it is hoped that by the time of the AGM its restoration will be sufficiently advanced to fulfil this purpose.

Railway and commercial operations

The Trust continued to support the S&DJR Company in the few events it was able to organise with Trust volunteers taking on safety critical roles for the Company and providing support staff for all events.

Report of the Trustees for the Year Ended 31 March 2021-continued

Membership

Total membership as at March 2021 stood at 1109 up from 1045 in March 2020. However, within that figure were a number of members who were being chased for payment and numbers subsequently dropped as people reassessed their commitments as, for many, their income has been seriously affected by the pandemic. It is likely that this will be the pattern for a few more months into 2021/22. The Trust thanks Vivienne Taylor for taking on this important role as there were a large number of changes and errors she inherited. Can we repeat the plea to let us know home address, telephone and email address changes as they occur and when you receive a request to pay your sub but decide not to renew to let Vivienne know so that further reminders are not needed.

Heritage

The museum has been shut for most of the year because of the pandemic but it is hoped that with more regular running the Trust can open it more often. During the year our Museum Curator Barry Bax fell seriously ill but we are pleased that he is now slowly recovering. We still receive donations even during the pandemic for which we are grateful. Malcolm Barton continues his watching brief.

Buildings

The Buildings team had its activities severely curbed by the pandemic but thankfully there were no serious issues to contend with during the financial year.

Gardens

The pandemic affected the work of the Gardening Team as much as it did the Buildings Team and they are simply looking forward to the time when they can maintain the standards again that produced previous awards.

Press and Publicity

This has mainly concentrated on letting the general public know when we are running via our website. The new Digi tickets resource for offering tickets online in specific coaches has proven invaluable to allow the Company to create a safe environment with family bubbles a necessity under the Covid restrictions.

Safety considerations

Despite the pandemic, safety still remains paramount and with the Covid restrictions this became even more important as competencies of safety critical staff needed to be maintained and updated whilst coaching stock needed its regular inspection to enable passengers to travel in safety. We were particularly lucky that we were still able to run some trains when the vast majority of heritage railways were unable to run even test trains to maintain competencies.

Governance

Trustees meet regularly every month to discuss policy and other matters. The Chairman, Secretary and Finance Director are appointed at the first meeting after the AGM. Sub committees of the Trust will be created where necessary but any spending decisions of those sub committees, unless specifically delegated will be ratified by a majority of Trustees. Where a meeting is not imminent, such decisions will be done by email but these are now ratified at the next available meeting. At present all meetings are via Microsoft Teams, Zoom meetings having proven to be problematical. Company minutes are a regular agenda item for Trust meetings and vice versa and joint meetings of the Company Directors and Trustees are held as and when necessary. Conference calls on specific areas are also held where necessary.

The Trust sets an annual income and expenditure budget. It will alter this where circumstances change (e.g. reducing expenditure if income is expected to be lower than expected). Budget holders can spend up to the limit of their budget but have to take cognisance of Trust cashflow in consultation with the Finance Director - expenditure is expected to be spread across the whole of the financial year. Where a newly proposed item of expenditure arises the budget holder must complete a budget justification form which also sets out where the income to cover the expenditure will be found.

The Trust holds a special interest bearing legacy account and has the power to invest such income as it sees fit using independent financial advice. Trustees, on the advice of the Finance Director agreed that it would be prudent to place £300K into two medium and long term investment accounts. These continue to grow despite the pandemic. There are remaining legacy funds but the impetus in 20/21 was to ask members to create regular monthly standing orders to augment the normal income streams. Whilst a good number of members have done so, given that we were not recipients of substantial government funding during the pandemic we seek more members who feel that they are able to help in this way.

Report of the Trustees for the Year Ended 31 March 2021-continued

The Trust maintains a minimum of two signatories to pay invoices and two signatories are needed to change any aspects of the Trust's accounting procedures or the primary user. HSBC does not have dual factor authorisation unlike some other banks so the payment of larger invoices needs to be approved (usually by email) before payment can be made. As in any business situation, Trustees are not obliged to accept the lowest quotation or to seek a minimum of three quotations for every contractual obligation they enter into. Whilst this would be the ideal, Trustees have the right to consider other aspects than simple financial costs. All such decisions will be minuted for audit purposes. In all financial aspects, the Trust follows, where applicable, Charity Commission's guidelines for financial propriety.

Trustee Changes

The changes in trustees during the course of the financial year are shown in the Reference and Administrative Details section.

Formal links to our local schools

The Trust has special formal links to our local schools. Norton Hill Academy has since our inception provided us with parking facilities at weekends when their facilities are not required by the school for which we are extremely grateful. We also have strong links to Fosseway special school. The pandemic has curbed their visits as with all local schools

Liaison with Midsomer Norton Town Council, Radstock Town Council, Bath & North East Somerset Council, and Mendip Council

2020-21 saw us continuing and enhancing the links with our local councils. These will be essential as we look to expand our operations northwards and southwards.

Liaison with other Somerset & Dorset organisations

The Trust continues to maintain links with the various organisations either on the S&D or associated with it. The pandemic has meant that no face to face meetings were possible.

Liaison with the Heritage Railway Association

The Trust is a member of the HRA which produces regular guidance notes on all aspects of railway operations, the work and requirements of trustees and company directors. John Baxter is the HRA's Secretary to their Operating and Safety Committee and provides regular updates on aspects of HRA operations. In addition a number of local heritage railways both standard and narrow gauge, covering Somerset, Bath & North East Somerset, Bristol, Wiltshire, South Gloucestershire and Gloucestershire met pre-pandemic to discuss matters of mutual concern.

The wider Community

The ambitions of the Trust acknowledge the heritage value of the Somerset and Dorset Railway line and the heritage value of Midsomer Norton Station. In addition, the Trust has an increasing understanding of the opportunity the Trust has to bring social, economic, health, well-being and environmental benefits to the community of Midsomer Norton and its hinterland. With the expansion of reopened sections of line, there is also the potential to perhaps improve the economic fortunes and the social, health and environmental prosperity of neighbouring communities and to connect these communities with all of the recognised benefits that result from this

Publications

The S&D Telegraph has been issued on a regular basis throughout the year with Graham Findley taking on this mantle after Peter Russell's resignation. This continues to attract praise for its content and professionalism which remains undiminished with the change in Editor.

Financial Review [Summary]

Financial results for 2020-21 were on budget and reflected the effects of the pandemic with outgoings of £81,178 against income of £106,759 (Note: this includes £29,748 surplus on the revaluation of cash investment assets). Major routine spending was again on membership (including the journal), insurance and utilities. Main routine income sources were the transferred surplus from the Company, membership fees, legacies and donations.

Prospects for 2021-22

There are two over-riding priorities entering 2021-22. The first is working towards the release of the planning conditions and starting work on the Somervale site. The second is supporting the Company with the consolidation of regular and more frequent public train services with its increased operating days as we exit the pandemic restrictions.

Report of the Trustees for the Year Ended 31 March 2021-continued

Other high priorities continue to be major fund-raising for capital developments alongside the Peter Sainsbury legacy and the associated planning applications that will be required for specific building proposals, attracting more volunteers in all areas and recruiting new younger Trustees, Company Directors and service managers and completing any resultant land negotiations. Finally, we wish to ensure that all members who are eligible for Gift Aid have signed the necessary documentation to enable us to enhance every donation by 25%.

Report of the Trustees for the Year Ended 31 March 2021-continued

FINANCIAL REVIEW

STATEMENT OF PUBLIC BENEFITS OF THE CHARITY

Under the Charities Act 2006, Trustees must report on their charity's public benefits in their Annual Report, showing the types and nature of the benefits that justify its continued charitable status. Benefit reporting should be proportionate and appropriate to the charity's circumstances. This table shows benefits provided in 2020-21.

CHARITY OBJECTS (from Memorandum of Association).

Restoration and use of S&DJR route and running stock.

| CORRESPONDING CLASS OF PUBLIC BENEFIT | ACTIVITIES PROVIDING BENEFITS IN 2019-20 | PRINCIPAL BENEFICIARIES |
|--|---|--|
| Accessible historic railway for visitors. | Development, repair and expansion of railway and station buildings. | General public. Visitors. Volunteers. Trust Members. |
| Conservation of cultural history | Restoration of historic locomotives, carriages and wagons. | General public. Visitors. Volunteers. Trust Members. |
| Associated environmental conservation | Extension of trackbed in accordance with environmental considerations for wildlife and tree preservation | General public. Visitors. |
| Preservation and display of S&DJR artefacts and documents. | Dynamic and static museum facilities in three locations on site. Upgrading and variation of internal museum displays. | General public. Visitors. Volunteers. |
| Research into the S&DJR and associated local history. | Research facility. Educational resource. Responding to queries on the S&DJR. | Visitors. Students. Volunteers. Trust Members. Historians. |
| Public education about the S&DJR. | Continuing publication of the "Telegraph" magazine and "Between The Lines" newsletter. Escorted group visits for schools, railway societies and general public. S&D orientated film shows at other society locations. | Visitors. Students. Volunteers. Trust Members. Historians. |
| Provision of recreational facilities. | Extension of permissive lineside path. Improved access for disabled visitors. Management of ecological spaces. Photographic/filming events. | General public. Walkers. Visitors. Photographers. Film Makers. |
| Provision of educational and training facilities to those restoring the S&DJR. | Training for safety-critical roles on railway operations and general 'mutual improvement' classes. Personal track safety. Hygiene, first aid and museum accreditation related courses.. | Railway volunteers. |

Independent Examiner's Report to the Trustees of Somerset & Dorset Railway Heritage Trust

Independent examiner's report to the trustees of Somerset & Dorset Railway Heritage Trust ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 March 2021.

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.

David Robert Johnson
Chartered Certified Accountant
David R Johnson & Co
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110A Cher
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10 August 2021

Somerset & Dorset Railway Heritage Trust

Detailed Statement of Financial Activities for the Year Ended 31 March 2021

| | 31.3.21 £ | 31.3.20 £ |
|--|---------------|----------------|
| INCOME AND ENDOWMENTS | | |
| Donations and legacies | | |
| Donations | 44,139 | 308,240 |
| Covenant from Company | 7,533 | 4,144 |
| HMRC Gift Aid | - | 14,156 |
| Membership fees | 12,897 | 15,426 |
| Use of facilities | 2,365 | 3,192 |
| Government Grants | <u>10,000</u> | <u>-</u> |
| | 76,934 | 345,158 |
| Investment income | | |
| Bank interest | 77 | 512 |
| Other income | | |
| Gain on revaluation of tangible fixed assets | <u>29,748</u> | <u>-</u> |
| Total incoming resources | 106,759 | 345,670 |
| EXPENDITURE | | |
| Raising donations and legacies | | |
| Marketing and publicity | 2,989 | 4,000 |
| Carriage and wagon | 1,883 | 1,592 |
| Locomotives | 6,800 | 3,971 |
| Signals and telegraph | 620 | 877 |
| Buildings and grounds | 3,197 | 8,748 |
| Heat, light and power | 5,952 | 8,684 |
| Water | 438 | 747 |
| Postage and telephone | 1,466 | 2,711 |
| Administration | 2,008 | 7,240 |
| Insurance | 7,160 | 7,139 |
| Membership costs | 8,610 | 5,304 |
| Health and safety | 642 | 984 |
| Legal and professional charges | 18,084 | 46,451 |
| Miscellaneous expenses | - | 534 |
| Rent | 976 | 920 |
| Bank charges | 121 | - |
| Heritage | 60 | 477 |
| Covid-19 expenses | 2,706 | - |
| Digi tickets | 1,500 | - |
| Depreciation | <u>15,966</u> | <u>14,235</u> |
| | 81,178 | 114,614 |
| Other | | |
| Loss on sale of heritage asset | <u>-</u> | <u>24,815</u> |
| Total resources expended | <u>81,178</u> | <u>139,429</u> |
| Net income | <u>25,581</u> | <u>206,241</u> |

This page does not form part of the statutory financial statements