

THE SWANAGE RAILWAY TRUST

England & Wales · Charity number 1087318

Details

Status	Registered
Legal form	Charitable company
Company number	04115126
Registered	2001-07-03
Register	View on the Charity Commission register

Contact

Address	Swanage Railway Trust Station House Railway Station Approach Swanage BH19 1HB
Phone	01929425800
Email	info@swanagerailwaytrust.org.uk
Website	www.swanagerailwaytrust.org.uk

Activities

Objects: (I) TO PRESERVE AND RESTORE FOR THE PUBLIC BENEFIT ITEMS OF HISTORICAL, ARCHITECTURAL, ENGINEERING OR SCIENTIFIC VALUE IN CONNECTION WITH RAILWAYS; AND (II) TO ADVANCE THE EDUCATION OF THE PUBLIC IN THE HISTORY AND DEVELOPMENT OF RAILWAY TRANSPORTATION.

Activities: The Trust's principal objectives are: 1) To preserve and restore for the public benefit items of historical, architectural, engineering or scientific value in connection with railways; and 2) To advance the education of the public in the history and development of railway transportation.

Classification

- **How:** Provides Buildings/facilities/open Space
- **What:** Environment/conservation/heritage
- **Who:** The General Public/mankind

Geography

- **Area of benefit:** NOT DEFINED. IN PRACTICE PURBECK, DORSET.
- Dorset

Finances

Period end	Income	Expenditure	Assets	Employees
2025-01-31	£4,077,860	£3,317,281	£7,427,291	32
2024-01-31	£3,869,038	£3,566,219	£6,653,439	37
2023-01-31	£3,410,644	£3,635,181	£6,396,243	39
2022-01-31	£3,377,762	£2,728,992	£6,513,748	37
2021-01-31	£2,108,165	£3,313,389	£6,006,335	36

Trustees

Name	Role	Appointed
Frank Roberts	Chair	2022-10-22
Alexander Atkins		2023-10-14
Benjamin Jack Ford		2022-10-22
Clare Collins		2022-10-22
Clive Austin Hardy		2023-10-14
Daniel John Bennett		2023-10-14
ELIZABETH MAUREEN SELLEN		
Gavin Johns		2025-10-11
Ian Kapur		2023-10-14
Jim Wheeler		2025-10-11
MICHAEL ALAN WHITWAM		

THE SWANAGE RAILWAY TRUST

England & Wales - Charity number 1087318

Accounts

REGISTERED COMPANY NUMBER: 04115126 (England and Wales)
REGISTERED CHARITY NUMBER: 1087318

**REPORT OF THE TRUSTEES AND
AUDITED GROUP FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 JANUARY 2025
FOR
THE SWANAGE RAILWAY TRUST
(A COMPANY LIMITED BY GUARENTEE)**

THE SWANAGE RAILWAY TRUST

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FOR THE YEAR ENDED 31 JANUARY 2025**

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THE SWANAGE RAILWAY TRUST
CHARITY INFORMATION
FOR THE YEAR ENDED 31 JANUARY 2025

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 period ended 31st January 2025. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities'.

Reference and administrative details

Registered company number

04115126 (England and Wales)

Registered charity number

1087318

Registered office

Station House
Swanage
Dorset
BH19 1HB

Trustees

Chair	F Roberts	
	A Atkins	
	D Bennett	
	C Collins	
	B Ford	
	C Hardy	
	G Johns	(Resigned 9 November 2024)
	I Kapur	
	R Patterson	
	M Richter	(Appointed 9 November 2024)
	E Sellen	
	W Sheret	(Resigned 9 November 2024)
	M Whitwam	

Auditors

MC Audit Limited
Chartered Accountants
Registered Auditors
Station House
North Street
Havant
Hampshire PO9 1QU

Bankers

Barclays Bank Plc
Barclays House
Wimborne Road
Poole
Dorset BH15 2BB

THE SWANAGE RAILWAY TRUST
REPORT OF THE CHAIRMAN
FOR THE YEAR ENDED 31 JANUARY 2025

This is my Report as your Chair of the Swanage Railway Trust, and it covers the financial year ending on 31st January 2025.

The business of the Swanage Railway Trust is managed by the Trustees who are all members of the Council of Management; its subsidiary is the Swanage Railway Company Limited with a Board of Directors. All trustees and directors are UK registered directors at Companies House in London.

Our business remains seasonal, susceptible to variations in the weather, with the Company again requiring additional financial support from the Trust during the winter months, as is detailed in these accounts.

The Company went 'cashless' in March 2024 with minimal or no effect on passenger numbers and income.

Following a disappointing season in 2023, the 2024 operating season was a great success.

The period since the Pandemic proved to be a very challenging time, and by summer 2023 it was clear that the finances to the Company required considerable review & support. On 14th September 2023 Trustees Gavin John, Robert Patterson and myself commenced work on the 36-month Recovery Business Plan which, with the support of the wider Railway team, closely supported by Financial Review Group comprised of Paola Hobson, Stuart Magnus and Neville Crook, this work directly leading to the improved financial statement within these accounts.

Major events 2024-25

- End of Wessex Belle
- Disposal of 2 dining coaches sold for £50,000
- Strictly Bullied II
- Diesel gala & beer festival
- Bluey the Dog
- Polar Express second year
- Community event
- Cream Teas
- Victorian weekend
- Easter event
- Roads to rail
- Dinosaurs

These activities are all dependent on volunteer support and I would like to thank every working member of staff whether they directly or indirectly support the operation on the Swanage Railway; volunteer or paid.

The increase in special events profit over the previous year was £136,000 and this together with an 11% fare increase accounted for a large part of the trading improvement.

No trains ran to Wareham in 2024 and none are planned for 2025. The railway completed its 2 year trial service in 2023. The service proved to be financially unviable and until it can be subsidised it will not resume. However, we continue to work with our stakeholders, primarily the Purbeck Community Rail Partnership to identify new opportunities, especially in the context of wider transport integration plans; in particular the Dorset Metro initiative.

Most of the rural branch lines in England are subsidised.

THE SWANAGE RAILWAY TRUST
REPORT OF THE CHAIRMAN
FOR THE YEAR ENDED 31 JANUARY 2025

In February 2025 at the HRA Annual Awards Ceremony, both the HRA Chairman's Special Award and the Steam Reader's Award, were awarded to the Railway's 563 Group for the restoration of the T3 Locomotive. The 563 Group are now spearheading the restoration of the T9 locomotive (owned by the National Railway

As a shareholder of the Drummond Locomotive Limited the Trust has worked to expedite the current works on the M7 locomotive (30053).

Save Your Railway fundraising contributed £278,000 to the cash position by the year end. Passenger numbers for the year were 181,695, (2023 178,648) an increase of 1.71%.

Legacies received in the year were £393,500, (2024 £317,064).

As a result of the Company's improved cash position, the winter support was reduced in 2024/25, allowing the Trust to direct funds to other areas, especially the construction of Herston Carriage shed which was completed in March 2025.

Swanage Railway comprises many different activities which are supported by over 400 volunteers:

- Carriage & Wagon
- Corfe Museum
- Cranes
- Estates & Stations teams
- Heritage Coaches & Heritage Wagons
- Herston Works - (Locomotive Overhaul and Maintenance)
- Purbeck Mining Museum
- Operations
- Passenger Services; shops & catering
- Permanent Way
- Signaling and Telecommunications
- Sygnets
- Finally, all those individuals who support members, staff and the wider Railway

I would like to thank the retiring Trustees in October 2024 for their services to the Trust:

- Will Sheret;
- Gavin Johns

Looking to future governance, the Trust re-affirmed its commitment to a unitary charitable governance model and the motion at the October 2023 AGM provided Trustees with a mandate to continue with this work. A subcommittee has now been formed to implement the reorganisation, which will see Swanage Railway Company becoming a Charity.

I am sincerely grateful for the support of every person who has supported us through this difficult time, in particular those who are no longer with us. We still have much to do, and I look to you all for your support during the implementation phase of the current Governance Review.



Frank Roberts BSc MCIRO,
Chair
Swanage Railway Trust

Date: 21 June 2025

THE SWANAGE RAILWAY TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 JANUARY 2025

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Swanage Railway Trust is registered as a company limited by guarantee (registration no. 04115126) and as a charity (registration no. 1087318). Its governing instrument is its memorandum and articles of association.

The financial statements comply with current statutory requirements, the Memorandum and Articles of Association, and the Statement of Recommended Practice - Accounting and Reporting by Charities (SORP FRS 102).

Public benefit

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 and in planning future activities. The Trustees refer to public benefit throughout this report.

Management

The Swanage Railway Trust has a single management body, the Board of Directors (also known as the Council of Management), elected by the members for a two year period. Fifty percent of the directors are required to retire by rotation each year at the Trust's Annual General Meetings. The list of the Trust Board of Directors can be found on page one.

The Council of Management delegate day to day responsibilities of managing the Railway to The Swanage Railway Company's Senior Management Team, overseen by the Company Board or Directors. The Directors consider the following people to be part of Key Management.

Company Directors

N Au

G J Johns

R Patterson (Resigned 12 October 2024)

K Potts

F E Roberts (Resigned 12 October 2024)

E Sellen

Senior Managers

J Cox (Carriage & Wagon Manager)

G Froud (Steam Locomotive Superintendent)

A Haddon (Health Safety and Compliance Manager)

A Haines (Operations Manager)

L Lock (Finance and Personnel Manager)

M Trott (Passenger Services Manager)

Key Management Personnel are employed by the Swanage Railway Company and are remunerated in accordance with the pay structures established by its Directors who act with the authority delegated by the Council of Management.

Directors Meetings

The Council of Management meets eight times a year with a number of additional online meetings.

THE SWANAGE RAILWAY TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 JANUARY 2025

Director Induction and Training

The directors of the charitable company are the trustees for the purpose of charity law and throughout this report are referred to as the directors.

The Directors of the Trust are elected by the membership of the Trust, or in the case of the Secretary and Treasurer, can be appointed ex-officio in order to ensure that the Board has suitably experienced persons in these positions. All Directors of the Trust are members of the Trust and as such are familiar with the overall goals of the Trust. A formal review of the Trust policies is held annually at the meeting following elections to ensure that these remain appropriate and that the new Directors are familiar with them.

The Swanage Railway Trust provides a briefing pack to members considering standing for election to the Council of Management. This pack includes, inter-alia, a copy of the Trust's Articles of Association, a copy of the Trust's formal policies and a copy of CC3 - The Charity Commission's guide for new Trust Directors. Successful candidates are asked to confirm receipt of these in writing and that they understand the information contained therein. Any changes to the guidance issued by the Charity Commission will be considered by the appropriate director, and where necessary, discussed at a meeting of the Council of Management.

Objectives and Activities

The objectives of The Swanage Railway Trust, as set down in its Memorandum of Association, is to study, compile records on and acquire, restore, preserve and maintain railway lines, locomotives, rolling stock and other items of railway interest, and to provide training and instruction in such activities and in particular but without prejudice to the generality of the foregoing those associated with the Isle of Purbeck, the former London and Southern Western Railway, other Railways which were in existence in Southern England during and before the year of nineteen hundred and twenty-three, the Southern Railway, and the Southern Region of British Railways, and to enter in such agreements and to take all such steps as may be necessary for these purposes, and to organise, sponsor and support displays and such other shows and events for the provision and stimulation of information, education and interest in such vehicles and other items of railway interest.

The SRC Board use annual passenger numbers on the railway to measure the performance of the Group.

Risk Management

The major risks that The Swanage Railway Trust and its trading subsidiary the Swanage Railway Company Limited face have been considered by separate review groups.

The major risks considered by the Trust are:

- Lack of funding and difficulties in fundraising to prevent the Trust from achieving its objectives which leads to inability to fund key infrastructure and heritage projects
- Adverse trading conditions of its subsidiary
- Difficulties in recruiting volunteers

These risks may cause a delay in the Trust achieving its objectives or curtail the operations of the trading subsidiary.

THE SWANAGE RAILWAY TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 JANUARY 2025

Related Parties

The charity acknowledges a relationship with:

The Swanage Railway Company Limited
Southern Locomotives Hire Ltd
Southern Locomotives Engineering Limited
71A Locomotive Ltd
Class 33/1 Preservation Co. Ltd

JMB Locomotive Services
Drummond Locos Ltd
National Railway Museum
563 Locomotive Group

The Swanage Railway Trust holds a controlling interest in the Swanage Railway Company Limited, which assists the Trust in meeting its objectives by operating the Swanage Railway and undertaking the associated trading activities. Whilst the company has a paid staff it is still heavily dependent on the supply of volunteers by the Trust for the operation of its train services and the maintenance and development of the railway.

A number of the directors of the Swanage Railway Trust are also directors of the Swanage Railway Company Limited. It is current Trust policy that the majority of voting Directors of the Swanage Railway Company are also Directors of the Swanage Railway Trust.

Volunteers

The charity is heavily dependent on the volunteers who perform many different tasks to assist with the management, administration, maintenance and operation of the railway.

Fundraising Standards Information

The charity does not use professional fundraisers or direct mail. Members receive regular communication through the magazine and appeal information is on the charity's website. The trustees are satisfied that there is no undue pressure on members of the public to donate to The Swanage Railway Trust.

Financial Review

The level of consolidated income has decreased largely because of the reduction of capital grants from outside organisations which were made to the trading subsidiary as those projects near completion although this is matched by a decrease in capital and revenue expenditure. Legacy income in the Trust was also substantially greater this year. The Trust has continued to make grants to the Swanage Railway Company Limited for the resotation and construction of railway buildings, track maintenance, locomotives and rolling stock which are part of the objectives of the Trust.

Consolidated funds total £7,427,291 at 31 January 2025 (2024: £6,653,439). There is a requirement for a high level of reserves given the substantial investment by the Trust and its subsidiary in fixed assets.

THE SWANAGE RAILWAY TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 JANUARY 2025

Reserves Policy

The Group has a requirement for a high level of reserves due to its large investment in fixed assets and its trading subsidiary and for setting aside resources for future projects.

Where funds have been raised for specific projects, the Group maintains separate funds either as designated or restricted funds - see note 20.

The available reserves of the Group are as follows:

Total consolidated funds at 31 January 2025	7,427,291
Less:	
• Tangible fixed assets	5,719,982
• Investment property	70,000
• Investments	127,350
• Restricted bank balances	232,737
	1,277,222

Free reserves are calculated by deducting fixed assets from the unrestricted (and undesignated) reserves held at the year-end. The trustees are able to undesignate reserves if required.

Funds in relation to fixed assets would only be released on the sale of those assets.

The Group will continue to invest in fixed assets and locomotive overhaul in 2025/26.

Future Plans

The Group intends to use its strategic objectives to utilise its resources and to develop its museum facilities and collections and to restore further items of equipment appropriate to its need for use on the Swanage Railway.

THE SWANAGE RAILWAY TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 JANUARY 2025

Statement of Trustees Responsibilities

The trustees (who are also the directors of The Swanage Railway Trust for the purposes of company law) are responsible for preparing the Report of the Trustees 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 charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing those financial statements, the trustees are required to

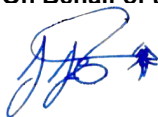
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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, being information needed by the auditor in connection with preparing their report, of which the group's auditor is unaware, and
- the trustees, having made enquiries of fellow directors and the group's auditor that they ought to have individually taken, have each taken all steps that they are obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

On Behalf of the Board:



Frank Roberts BSc MCIRO,
Chair

Date 21 June 2025

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE SWANAGE RAILWAY TRUST

Opinion

We have audited the financial statements of The Swanage Railway Trust and its subsidiaries for the year ended 31 January 2025, which comprise the Consolidated Statement of Financial Activities, the Group and Charity Balance Sheets and Cashflow Statements and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 January 2025 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter

The financial statements of The Swanage Railway Trust and its subsidiaries for the year ended 31 January 2024 were audited by another auditor who expressed an unmodified opinion on those statements on 31 August 2024.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE SWANAGE RAILWAY TRUST

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities set out on page 8, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group and parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charity or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

From discussion with management and those charged with governance information about the entity is documented to assess the activity within the organisation. We discuss management's assessment of risk in respect of irregularities, fraud and going concern.

Based on these discussions and our own assessments we determined that the key risk areas were income recognition in respect of cut off issues and management override concerning the size of the organisation.

We set financial statement materiality level based on the level of income. As a not for profit organisation raising income is its primary focus which is why income was used to determine the level of materiality. Our overall assessment of risk was used to determine performance materiality at an appropriate level.

Substantive audit tests were designed after assessing and performing walkthrough tests. The walkthrough testing confirmed documented systems which have been designed to act as a preventative measure against fraud and error which appear to be operating as documented. Substantive testing tested a sample of the population, representative of the population, to identify errors. The testing did not identify any material misstatements in areas tested.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE SWANAGE RAILWAY TRUST

Audit substantive tests concluded no material errors over the key risk areas of income recognition and management override.

The audit considers the organisation is not exposed to material risk of error as a result of assessing laws and regulations that are appropriate to the organisation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the group and the parent charity and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Stuart Mackie (Senior Statutory Auditor)
for and on behalf of MC Audit Limited
Statutory Auditors
Station House
North Street
Havant
Hampshire
PO9 1QU
Date 28 July 2025

THE SWANAGE RAILWAY TRUST

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING A CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 JANUARY 2025**

	Notes	Unrestricted funds £	Restricted funds £	Total 2025 £	Total 2024 £
INCOME FROM					
Voluntary Income:	4				
Appeals, donations, legacies and covenants		488,948	471,857	960,805	759,860
Grant income		-	2,046	2,046	150,691
Activities for generating funds:	4				
Membership subscriptions		30,091	-	30,091	52,351
Fundraising and other income		24,115	-	24,115	23,341
Trading income		3,034,808	-	3,034,808	2,842,915
Investment income		22,388	3,607	25,995	39,880
Total		3,600,350	477,510	4,077,860	3,869,038
EXPENDITURE ON					
Cost of generating funds	5				
Trading expenses		2,986,551	-	2,986,551	3,263,853
Fundraising costs		19,320	-	19,320	6,015
Charitable activities	5	279,407	32,003	311,410	296,351
Total		3,285,278	32,003	3,317,281	3,566,219
Net income/(expenditure)		315,072	445,507	760,579	302,819
Provision for deferred taxation	23	(2,917)	-	(2,917)	12,154
Revaluation adjustment	14	16,190	-	16,190	72,789
Transfers between funds	20	-	-	-	-
Net movement in funds		328,345	445,507	773,852	387,762
RECONCILIATION OF FUNDS					
Total funds brought forward		5,387,904	1,265,535	6,653,439	6,265,677
TOTAL FUNDS CARRIED FORWARD		5,716,249	1,711,042	7,427,291	6,653,439

THE SWANAGE RAILWAY TRUST

**CONSOLIDATED BALANCE SHEET
FOR THE YEAR ENDED 31 JANUARY 2025**

	Notes	Group 2025 £	Group 2024 £	Charity 2025 £	Charity 2024 £
FIXED ASSETS					
Tangible assets	12	5,719,982	5,653,133	1,513,700	1,515,113
Investment property	13	70,000	-	70,000	-
Investments	14	127,350	95,160	127,350	95,160
Investments in subsidiaries	15	-	-	470,605	470,605
		<u>5,917,332</u>	<u>5,748,293</u>	<u>2,181,655</u>	<u>2,080,878</u>
CURRENT ASSETS					
Stocks	16	100,688	85,361	-	-
Debtors	17	467,816	412,969	547,056	785,663
Cash at bank and in hand		1,677,885	1,605,085	1,339,511	1,524,019
		<u>2,246,389</u>	<u>2,103,415</u>	<u>1,886,567</u>	<u>2,309,682</u>
CREDITORS					
Amounts falling due within one year	18	(568,187)	(969,348)	(82,981)	(583,111)
NET CURRENT ASSETS		<u>1,678,202</u>	<u>1,134,067</u>	<u>1,803,587</u>	<u>1,726,571</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>7,595,534</u>	<u>6,882,360</u>	<u>3,985,241</u>	<u>3,807,449</u>
CREDITORS					
Amounts falling due in more than one year	19	(143,209)	(206,804)	(91,364)	(102,598)
PROVISIONS FOR LIABILITIES	23	(25,034)	(22,117)	-	-
NET ASSETS		<u>7,427,291</u>	<u>6,653,439</u>	<u>3,893,878</u>	<u>3,704,851</u>
FUNDS					
Restricted funds	20	1,711,042	1,265,535	1,711,042	1,265,535
Unrestricted funds	20	5,716,249	5,387,904	2,182,836	2,439,316
TOTAL FUNDS		<u>7,427,291</u>	<u>6,653,439</u>	<u>3,893,878</u>	<u>3,704,851</u>

The financial statements were approved by the Board of Trustees on 21 June 2025..... and were signed on its behalf by:



F E ROBERTS



B FORD

REGISTERED COMPANY NUMBER: 04115126 (England and Wales)
REGISTERED CHARITY NUMBER: 1087318

THE SWANAGE RAILWAY TRUST

CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 JANUARY 2025

	Group 2025 £	Group 2024 £	Charity 2025 £	Charity 2024 £
Cash flows from operating activities				
Cash generated from operations	657,286	627,451	(169,282)	595,648
Cash provided by (used in) operating activities	<u>657,286</u>	<u>627,451</u>	<u>(169,282)</u>	<u>595,648</u>
Cash flows from investing activities				
Interest received	25,995	39,880	40,270	64,335
Interest paid	(9,842)	(12,936)	-	-
Purchase of tangible fixed assets	(350,290)	(344,251)	(23,306)	(313,496)
Disposals of tangible fixed assets	52,041	-	-	-
(Gains)/Losses on revaluations	(16,190)	(72,789)	(16,190)	(117,125)
Purchase of investments	(16,000)	(100,125)	(16,000)	(100,125)
Cash provided by (used in) investing activities	<u>(314,286)</u>	<u>(490,221)</u>	<u>(15,226)</u>	<u>(466,411)</u>
Cash flows from financing activities				
Loans repaid	(270,200)	(49,997)	-	-
Cash provided by (used in) financing activities	<u>(270,200)</u>	<u>(49,997)</u>	<u>-</u>	<u>-</u>
Change in cash and cash equivalents in the reporting period	72,800	87,233	(184,508)	129,237
Cash and cash equivalents at the beginning of the reporting period	1,605,085	1,517,852	1,524,019	1,394,782
Total cash at the end of the year	1,677,885	1,605,085	1,339,511	1,524,019

THE SWANAGE RAILWAY TRUST

**CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 JANUARY 2025**

**RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM
OPERATING ACTIVITIES**

	Group 2025 £	Group 2024 £	Charity 2025 £	Charity 2024 £
Net movement in funds	773,852	387,762	189,027	506,598
Adjustments for:				
Depreciation charge	211,846	228,060	24,719	21,799
Deferred taxation movement	2,917	(12,154)	-	-
Profit share from subsidiary	-	-	-	-
Investment income	(25,995)	(39,880)	(40,270)	(39,880)
Interest paid	9,842	12,936	-	-
Non cash legacy received - Investement property	(70,000)	-	(70,000)	-
(Gains)/Losses on disposal of fixed assets	19,554	13,363	-	-
(Increase) / decrease in stocks	(15,327)	(1,306)	-	-
(Increase) / decrease in debtors	(54,847)	(25,963)	238,607	340,701
Increase / (decrease) in creditors	(194,556)	64,633	(511,365)	(233,570)
Cash generated by operations	657,286	627,451	(169,282)	595,648

ANALYSIS OF CHANGES IN NET (DEBT)/FUNDS

	At 01.02.24 £	Cash flow £	At 31.01.25 £
Net cash			
Cash at bank	1,605,085	72,800	1,677,885
	1,605,085	72,800	1,677,885
Debt			
Debts falling due within 1 year	(50,000)	(220,200)	(270,200)
Debts falling due after 1 year	(157,205)	410,000	252,795
	(207,205)	189,800	(17,405)
Total	1,397,880	262,600	1,660,480

THE SWANAGE RAILWAY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2025

1. ACCOUNTING POLICIES

Accounting convention

The financial statements of the The Swanage Railway Trust ("charitable company") is a public benefit entity under FRS 102, 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 2019) - (Charities SORP (FRS 102)), and the Companies Act 2006.

The Swanage Railway Company Limited ("subsidiary") is incorporated as a company limited by share and register in England and Wales (company number: 01412568).

The registered address of the charitable company and subsidiary can be found on page 1 of these accounts.

Going concern

The trustees therefore believe the charity has sufficient resources to continue in operational existence for the foreseeable future and, on the basis of these budgets and forecasts, the trustees consider the company to be a going concern and have prepared the financial statements accordingly.

Group financial statements

These financial statements consolidate the results of the charity and its wholly owned subsidiary, on a line by line basis. A separate statement of financial activities and income and expenditure account are not presented for the charity itself following the exemptions afforded by section 408 of the Companies Act 2006.

Incoming resources

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the items of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Government grants shall be recognised on a systematic basis over the periods in which the entity recognises expenses for which the grants are intended to compensate.

Capital grants received by the company are shown on the balance sheet by including the grant in creditors as deferred income. The grant is released to the Profit and Loss Account in accordance with the depreciation policy of the asset to which the grant relates. Where an impairment has taken place on assets under capital funding the offset has reduced the credit balance on the grant.

Revenue grants are recognised as income over the period necessary to match them with the related costs which they are intended to compensate, on a systematic basis.

Resources expended

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

- Costs of generating funds are those costs incurred in relation to fundraising and trading activities.
- Charitable activities include expenditure associated with fulfilling the charity's objectives.
- Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

Operating leases

Rentals payable under operating leases are charged to the Statement of Financial Activities as incurred over the term of the lease.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Land and Buildings	Freehold land	- not depreciated
	Buildings & railway structures	- 4% straight line
Long Leasehold		Over the term of the lease
Plant Machinery and Equipment	Fixtures, fittings, plant, equipment	- 20% reducing balance
	Computer equipment	- 25% straight line
	Motor vehicles	- 10% straight line
	Furniture	- 20% straight line
Shop Fittings and Equipment		- 20% straight line
Permanent Way and Other Assets		- 2% straight line
Assets Under Construction		- not depreciated

Tangible fixed assets costing £1,000 or more are capitalised at cost.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2025

1. ACCOUNTING POLICIES - continued

Impairment of fixed assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in the Statement of Financial Activities as described below.

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, that estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Heritage assets

Part of the Objectives of the Trust is to acquire, restore, preserve and manage heritage locomotives and rolling stock. These assets are included in the accounts at valuation and are not subject to an annual depreciation charge, as in the opinion of the directors the nature of the assets concerned and the level of maintenance is such that there is no significant annual depreciation. Any permanent diminution in the value of such assets is charged to the Statement of Financial Activities when recognised in accordance with FRS 102. The directors have therefore used the values of the assets as provided by the Loco, Carriage & Wagon staff and volunteers, as best estimates.

Heritage assets are now held at valuation and were revalued at 31st January 2025. Heritage assets are not depreciated as residual values are considered to be at least equal to the current valuation. As the heritage assets are not usually traded on an open market, values are often hard to determine. The directors have therefore used the values of the assets as provided by the Loco, Carriage & Wagon staff and volunteers, as best estimates.

Detailed information on the locomotives and rolling stock of the Trust and its subsidiary company can be found at www.swanagerailway.co.uk.

Investment property

Investment properties are initially measured at their fair value at the date of acquisition, including those acquired through gifts or legacies, provided the fair value can be measured reliably.

Subsequent to initial recognition, investment properties are measured at fair value at each reporting date. Changes in fair value are recognised immediately in the Statement of Financial Activities. No depreciation is charged on investment properties measured at fair value.

Where fair value cannot be measured reliably on an ongoing basis, investment properties are measured at cost less any accumulated depreciation and impairment losses.

Taxation

The charity is exempt from corporation tax on its charitable activities. Corporation tax is payable by the trading company on its taxable profits.

Deferred tax is recognised in respect of all timing differences in the subsidiary that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax computations in periods different from those in which they are recognised in the financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing differences.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits of the taxable subsidiary. No deferred tax

THE SWANAGE RAILWAY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2025

1. ACCOUNTING POLICIES - continued

Fund accounting

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

Designated funds are unrestricted funds of the charity which have been set aside by the trustees to fund particular activities of the charity.

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

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

Stock

Stocks are valued at the lower of cost or net realisable value.

Investments

All investments in locomotive preservation groups are stated at cost. Investment in the subsidiary company is stated at cost. Listed investments are measured at cost initially where after it will be revalued to market value at the year end. The listed investments were gifted to the Trust as part of a legacy in previous years and are held to earn investment income. The Trust has no plans or policies in place for further investment in listed entities.

Financial instruments

The charity only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable investments in stocks and shares. The measurement basis used for these financial instruments is detailed below.

Debtors & cash at bank

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Cash at bank and in hand includes cash held on deposit or in a current account.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the 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 normally recognised at their settlement amount after allowing for any trade discounts due.

Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amounts 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 trustees have reviewed areas requiring such judgement and estimation and confirm that there are no significant critical accounting judgements or key sources of estimation uncertainty that have a material impact on the financial statements for the year.

2. FINANCIAL ACTIVITIES OF THE CHARITY

The financial activities shown in the consolidated statement includes those of the charity's wholly owned subsidiary, Swanage Railway Company Limited.

A summary of the financial activities undertaken by the charity is set out below:

	2025 £	2024 £
Total incoming resources	1,219,077	1,150,498
Total expenditure on charitable activities	(1,030,050)	(643,900)
Net incoming resources	189,027	506,598
Total funds brought forward	3,704,851	3,198,253
Total funds carried forward	3,893,878	3,704,851
Represented by:		
Restricted funds	1,711,042	1,265,535
Unrestricted funds	2,182,836	2,439,316
	3,893,878	3,704,851

THE SWANAGE RAILWAY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2025

3. INCOME FROM COMMERCIAL TRADING OPERATIONS

The charity's wholly owned trading subsidiary, Swanage Railway Company Limited, which is incorporated in England and Wales. The following is an extract of the financial statements of Swanage Railway Trading Company Limited for the period ended 31 January 2025:

	2025 £	2024 £
Turnover	3,320,738	3,013,736
Cost of sales and administrative expenses	(3,007,253)	(3,229,864)
Profit before tax	313,485	(216,128)
Corporation tax	(2,917)	12,154
Profit after tax	310,568	(203,974)
Profits distributed to the charity	-	-
Retained in subsidiary	310,568	(136,175)
The assets and liabilities of the subsidiary were:		
Fixed assets	4,206,282	4,138,020
Current assets	506,875	248,066
Current liabilities	(632,260)	(974,030)
Long term liabilities and provisions	(2,603,078)	(2,244,805)
Net assets	1,477,819	1,167,251
Aggregate share capital and reserves	1,477,819	1,167,251

4. INCOMING RESOURCES

	Unrestricted funds £	Restricted funds £	Total 2025 £	Total 2024 £
Voluntary income (Trust)				
Donations and covenants	173,118	74,144	247,262	399,934
Gift aid	27,203	7,713	34,916	42,863
Legacies	288,627	390,000	678,627	317,064
Grant income	-	2,046	2,046	150,690
Membership subscriptions	30,091	-	30,091	52,351
Fundraising and other income	24,115	-	24,115	23,341
Investment income	22,388	3,607	25,995	39,880
Total voluntary income from Trust	565,542	477,510	1,043,052	1,026,123
Activities for generating funds (Company)				
Heritage passenger fare income	2,543,861	-	2,543,861	2,229,815
Shop income	182,016	-	182,016	185,759
Catering income	62,899	-	62,899	145,632
Other income	246,032	-	246,032	281,709
Total income from activities in Company	3,034,808	-	3,034,808	2,842,915
Total consolidated incoming resources	3,600,350	477,510	4,077,860	3,869,038

THE SWANAGE RAILWAY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2025

5. CHARITABLE ACTIVITIES COSTS

	Premises & railway running costs £	Admin, salaries and other £	Depreciation £	Total 2025 £	Total 2024 £
Charitable activities					
Rent	96,540	-	-	96,540	108,457
Rates & utilities	8,196	-	-	8,196	15,326
Printing & stationery	-	15,001	-	15,001	55,976
Repairs & other	98,500	39,369	24,719	162,588	96,503
Auditors remuneration (audit)	-	12,100	-	12,100	6,050
Auditors remuneration (non audit)	-	1,750	-	1,750	9,886
Legal & professional	-	15,235	-	15,235	4,153
Total charitable activities	203,236	83,455	24,719	311,410	296,351
Costs of generating funds					
Fundraising costs	-	19,320	-	19,320	6,015
Trading costs	1,601,178	1,198,246	187,127	2,986,551	3,263,853
Total cost of generating funds	1,601,178	1,217,566	187,127	3,005,871	3,269,868
Total resources expended	1,804,414	1,301,021	211,846	3,317,281	3,566,219

Included within trading costs above are £1,500 (2024: £9,886) of fees paid to the accountant (2024: auditor) of the subsidiary's financial statements, of which £1,500 (2024: £7,200) relate to accounts preparation services (2024: audit services).

6. NET OUTGOING RESOURCES - GROUP

Net resources are stated after charging:

	2025 £	2024 £
Auditors' remuneration	12,100	6,050
Auditors' remuneration - non audit work	3,250	9,886
Other operating leases	96,540	108,457
Depreciation	211,846	215,960

7. TAXATION

The charitable company is a registered charity and is therefore exempt from corporation tax on its charitable activities. As a result, no provision is considered necessary for taxation in respect of the parent entity.

The subsidiary is a registered company and is subject to corporation tax on its taxable profits. Current tax is calculated on the basis of tax laws and rates that have been enacted or substantively enacted by the balance sheet date.

THE SWANAGE RAILWAY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2025

8. TRUSTEES' REMUNERATION AND BENEFITS

No trustees' received remuneration or other benefits during the year ended 31 January 2025 nor for the year ended 31 January 2024.

Trustees' Expenses

During the year two trustees (2024: none) were reimbursed for out of pocket expenses totalling £959 (2024: £0).

9. STAFF COSTS

	2025 £	2024 £
Wages and salaries	820,284	938,610
Social security costs	65,767	76,491
Employers pension costs	15,035	17,507
	<u>901,086</u>	<u>1,032,608</u>

The average monthly number of employees (full time equivalent) during the year was as follows:

	2025	2024
Employees	<u>32</u>	<u>35</u>
	<u>32</u>	<u>35</u>

No employees had annual emoluments of more than £60,000 per annum this year (2024: Nil)

10. KEY MANAGEMENT PERSONNEL

The key management personnel of the group, comprise the trustees, and the department heads. The total employee benefits of the key management personnel of the charitable company were £257,482 (2024: £214,193).

THE SWANAGE RAILWAY TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2025**

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total 2024 £	Total 2023 £
INCOME FROM				
Voluntary Income:				
Appeals, donations, legacies and covenants	492,609	267,251	759,860	436,654
Grant income	1	150,690	150,691	1,929
Activities for generating funds:				
Membership subscriptions	52,351	-	52,351	42,927
Fundraising and other income	23,341	-	23,341	21,306
Trading income	2,842,915	-	2,842,915	2,905,971
Investment income	37,879	2,001	39,880	1,857
Total	3,449,096	419,942	3,869,038	3,410,644
EXPENDITURE ON				
Cost of generating funds				
Trading expenses	3,263,853	-	3,263,853	3,439,587
Fundraising costs	6,015	-	6,015	5,720
Charitable activities	243,417	52,934	296,351	222,516
Total	3,513,285	52,934	3,566,219	3,667,823
Net income/(expenditure)	(64,189)	367,008	302,819	(257,179)
Provision for deferred taxation	12,154	-	12,154	108,132
Revaluation adjustment	72,789	-	72,789	(1,100)
Transfers between funds	(3,280)	3,280	-	-
Net movement in funds	17,474	370,288	387,762	(150,147)
RECONCILIATION OF FUNDS				
Total funds brought forward	5,370,430	895,247	6,265,677	6,415,824
TOTAL FUNDS CARRIED FORWARD	5,387,904	1,265,535	6,653,439	6,265,677

THE SWANAGE RAILWAY TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2025

12. TANGIBLE FIXED ASSETS - GROUP

	Land and Buildings £	Long Leasehold £	Heritage Assets £	Plant Machinery and Equipment £	Shop Fittings and Equipment £	Permanent Way and Other Assets £	Assets under construction £	Total £
COST								
At 1 February 2024	1,071,696	188,133	2,401,500	1,626,932	3,387	1,900,492	582,064	7,774,204
Additions	2,489	-	10,788	24,455	-	-	312,558	350,290
Disposals	-	-	(69,554)	(2,041)	-	-	-	(71,595)
Revaluation	-	-	-	-	-	-	-	-
Reclassification	-	-	-	-	-	-	-	-
At 31 January 2025	1,074,185	188,133	2,342,734	1,649,346	3,387	1,900,492	894,622	8,052,899
DEPRECIATION								
At 1 February 2024	505,402	12,099	-	1,084,807	3,322	515,441	-	2,121,071
Charge for year	42,963	12,542	-	123,662	13	32,666	-	211,846
Eliminated on disposals	-	-	-	-	-	-	-	-
Reclassification	-	-	-	-	-	-	-	-
At 31 January 2025	548,365	24,641	-	1,208,469	3,335	548,107	-	2,332,917
NET BOOK VALUE								
At 31 January 2025	525,820	163,492	2,342,734	440,877	52	1,352,385	894,622	5,719,982
At 31 January 2024	566,294	176,034	2,401,500	542,125	65	1,385,051	582,064	5,653,133

TANGIBLE FIXED ASSETS - CHARITY

	Land and Buildings £	Long Leasehold £	Heritage Assets £	Plant Machinery and Equipment £	Assets under construction £	Total £
COST						
At 1 February 2024	190,321	188,133	1,171,500	33,898	26,337	1,610,189
Additions	2,489	-	10,788	-	10,029	23,306
Disposals	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-
Reclassification	-	-	-	-	-	-
At 31 January 2025	192,810	188,133	1,182,288	33,898	36,366	1,633,495
DEPRECIATION						
At 1 February 2024	51,784	12,099	-	31,193	-	95,076
Charge for year	10,782	12,542	-	1,395	-	24,719
Eliminated on disposals	-	-	-	-	-	-
Reclassification	-	-	-	-	-	-
At 31 January 2025	62,566	24,641	-	32,588	-	119,795
NET BOOK VALUE						
At 31 January 2025	130,244	163,492	1,182,288	1,310	36,366	1,513,700
At 31 January 2024	138,537	176,034	1,171,500	2,705	26,337	1,515,113

Heritage assets were revalued as at 31st January 2025.

The group continues to acquire new heritage assets in accordance with its acquisitions policy. In the last five years, acquisitions have been made as follows:

Heritage Assets	2025 £	2024 £	2023 £	2022 £	2021 £
Additions - Funded	10,788	300,196	189,515	165,370	245,000
Additions - Donated	-	-	-	-	-
Disposals (net book value)	(69,554)	-	-	(1,500)	(250)
Proceeds from disposals	-	-	-	-	-
Impairments	-	(188,133)	-	(350)	37,003

THE SWANAGE RAILWAY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2025

13. INVESTMENT PROPERTY

	Group 2025 £	Group 2024 £	Charity 2025 £	Charity 2024 £
Investment property	70,000	-	70,000	-
	<u>70,000</u>	<u>-</u>	<u>70,000</u>	<u>-</u>

During the year, the charity recognised an investment property with a fair value of £70,000. The property was received as part of a legacy from an individual who passed away on 29 November 2021. The charity's entitlement to the property was confirmed by the estate's solicitor in 2023, and the property was recognised in the financial statements when entitlement, probability of receipt, and reliable valuation were established in accordance with FRS 102 and the Charities SORP.

14. INVESTMENTS

	Listed Investments £	Unlisted Investments £	Total £
Market value\cost at 1 February 2024	95,160	-	95,160
Additions	-	16,000	16,000
Disposals	-	-	-
Gains/(losses)	16,190	-	16,190
Market value\cost at 31 January 2025	<u>111,350</u>	<u>16,000</u>	<u>127,350</u>

During the year, the charity acquired an unlisted investment in Drummon Locomotives Limited (company number: 03496400), through the purchase of £16,000 worth of equity shares. This equates to 16,000 shares out of a total issued share capital of 190,700 shares, representing a minority holding of approximately 8.39%.

The investment does not confer significant influence or control over the investee company and has been accounted for as a fixed asset investment at cost. The trustees consider cost to approximate fair value at the year end due to the recent nature of the acquisition and no indications of impairment or significant value change.

All the investments are kept within the United Kingdom.

15. INVESTMENTS IN SUBSIDIARIES

Investments represent the charity's shareholding in its trading company, Swanage Railway Trading Company Limited (company no. 06930934), of 470,605 ordinary £1 shares. This equates to 96% of the total share capital but 100% of the voting shares.

16. STOCKS

	Group 2025 £	Group 2024 £	Charity 2025 £	Charity 2024 £
Shop stocks for resale	52,500	33,895	-	-
Catering stock	-	3,541	-	-
Consumable stocks	48,112	47,763	-	-
Driver experience	76	162	-	-
	<u>100,688</u>	<u>85,361</u>	<u>-</u>	<u>-</u>

THE SWANAGE RAILWAY TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2025**

17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2025 £	Group 2024 £	Charity 2025 £	Charity 2024 £
Trade debtors	2,936	45,971	109	124
Swanage Railway Company Limited Loan	-	-	135,719	455,719
Other debtors	410,000	289,767	410,000	289,767
Prepayments and accrued income	25,616	53,751	1,228	23,288
VAT	29,264	23,480	-	16,765
	<u>467,816</u>	<u>412,969</u>	<u>547,056</u>	<u>785,663</u>

At 31 January 2025, there was an amount of £135,719 (2024: £455,719) due from Swanage Railway Company Limited to The Swanage Railway Trust.

Included in the above balance is a Winter Loan of £nil (2024: £320,000).

Interest is charged at 1.5% above the banks base lending rate and the amount of interest charged in the year was £14,275 (2024: £20,722).

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2025 £	Group 2024 £	Charity 2025 £	Charity 2024 £
Trade creditors	293,656	684,089	42,234	549,641
Other taxation and social security	21,766	18,336	-	-
Bank loans	52,348	50,000	-	-
Life membership equalisation account	13,237	12,930	13,237	12,930
VAT	-	-	11,333	-
Other creditors and accruals	187,181	203,992	16,177	20,540
	<u>568,187</u>	<u>969,347</u>	<u>82,981</u>	<u>583,111</u>

19. CREDITORS: AMOUNTS FALLING DUE IN MORE THAN ONE YEAR

	Group 2025 £	Group 2024 £	Charity 2025 £	Charity 2024 £
Member loans	50,000	53,000	50,000	53,000
Bank loans	51,845	104,205	-	-
Life membership equalisation account	41,364	49,598	41,364	49,598
Other creditors and accruals	-	1	-	-
	<u>143,209</u>	<u>206,804</u>	<u>91,364</u>	<u>102,598</u>

LIFE MEMBERSHIP EQUALISATION ACCOUNT

Deferred income relates to funding received from various funders that are for a future accounting period. This relates to the life membership equalisation account which is a subscription paid and then released over ten years. Both Premier Life membership and Ordinary Life membership was closed to new applicants. The Travel membership continues.

	Group 2025 £	Group 2024 £	Charity 2025 £	Charity 2024 £
Brought forward	62,528	63,158	62,528	63,158
Amount released to incoming resources	(12,930)	(12,930)	(12,930)	(12,930)
Amount deferred in year	5,003	12,300	5,003	12,300
Carried forward	<u>54,601</u>	<u>62,528</u>	<u>54,601</u>	<u>62,528</u>

THE SWANAGE RAILWAY TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2025**

20. MOVEMENT IN FUNDS

Analysis of unrestricted fund movements

	Balance at At 01.02.24 £	Incoming resources £	Resources expended £	Transfers £	Gains/ (losses) on revaluation £	Balance at At 31.01.25 £
Company						
General fund	2,379,022	3,034,808	(2,989,468)	-	-	2,424,362
Revaluation reserve	569,567	-	-	-	-	569,567
	<u>2,948,589</u>	<u>3,034,808</u>	<u>(2,989,468)</u>	<u>-</u>	<u>-</u>	<u>2,993,929</u>
Charity						
General fund	1,656,729	565,542	(298,727)	-	16,190	1,939,734
<u>Designated funds:</u>						
Restoration	78,569	-	-	-	-	78,569
Other capital expenditure	32,564	-	-	-	-	32,564
Other projects	68,643	-	-	-	-	68,643
4TC designated	17,772	-	-	-	-	17,772
T3 restoration	112,434	-	-	-	-	112,434
Carriage shed	207,605	-	-	-	-	207,605
Strategic reserves	250,000	-	-	-	-	250,000
Governance review	15,000	-	-	-	-	15,000
	<u>2,439,316</u>	<u>565,542</u>	<u>(298,727)</u>	<u>-</u>	<u>16,190</u>	<u>2,722,321</u>
	<u>5,387,905</u>	<u>3,600,350</u>	<u>(3,288,195)</u>	<u>-</u>	<u>16,190</u>	<u>5,716,250</u>

Analysis of restricted fund movements

	Balance at At 01.02.24 £	Incoming resources £	Resources expended £	Transfers £	Gains/ (losses) on revaluation £	Balance at At 31.01.25 £
Charity						
Museum group	300,290	30,098	(29,811)	-	-	300,577
The 563 Locomotive Group	-	396,000	-	-	-	396,000
Swanage 4TC group	257,575	25,026	(394)	-	-	282,207
T3 restoration	635,273	25,386	(1,798)	-	-	658,861
Carriage shed	72,397	1,000	-	-	-	73,397
	<u>1,265,535</u>	<u>477,510</u>	<u>(32,003)</u>	<u>-</u>	<u>-</u>	<u>1,711,042</u>

The transfers from restricted to unrestricted funds relate to funds on which restrictions have been satisfied and therefore are no longer considered to be restricted funds.

The designated funds for purposes as described above are designated and reviewed annually by the Council of Management. Incoming resources are received into the general fund and are subsequently reallocated to the designated funds at the discretion of directors.

Museum group - donations towards the upkeep and development of the Museums at Norden and Corfe.

Swanage 4TC group - fundraising for and restoration of a 4TC unit to be based at Swanage to provide a push-pull set working with a Class 33/1 diesel electric locomotive.

T3 restoration - fundraising for and restoration of a T3 unit based at Swanage.

The 563 Locomotive Group - fundraising for and restoration of a 563 locomotive unit based at Swanage.

Carriage shed - fundraising for and expenditure on the construction of carriage sheds for rolling stock.

THE SWANAGE RAILWAY TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2025**

20. MOVEMENT IN FUNDS - COMPARATIVES

Analysis of unrestricted fund movements

	Balance at At 01.02.23 £	Incoming resources £	Resources expended £	Transfers £	Gains/ (losses) on revaluation £	Balance at At 31.01.24 £
Company						
General fund	2,696,222	2,718,541	(3,035,740)	-	-	2,379,022
Revaluation reserve	371,202	-	-	-	198,365	569,567
	<u>3,067,424</u>	<u>2,718,541</u>	<u>(3,035,740)</u>	<u>-</u>	<u>198,365</u>	<u>2,948,589</u>
Charity						
General fund	1,501,587	721,722	(463,624)	22,620	(125,576)	1,656,729
Restoration	69,735	8,834	-	-	-	78,569
Other capital expenditure	58,464	-	-	(25,900)	-	32,564
Other projects	68,643	-	-	-	-	68,643
4TC designated	18,323	-	(551)	-	-	17,772
T3 restoration	113,649	-	(1,215)	-	-	112,434
Carriage shed	207,605	-	-	-	-	207,605
Strategic reserves	250,000	-	-	-	-	250,000
Governance review	15,000	-	-	-	-	15,000
	<u>2,303,006</u>	<u>730,556</u>	<u>(465,390)</u>	<u>(3,280)</u>	<u>(125,576)</u>	<u>2,439,316</u>
	<u>5,370,430</u>	<u>3,449,097</u>	<u>(3,501,130)</u>	<u>(3,280)</u>	<u>72,789</u>	<u>5,387,905</u>

Analysis of restricted fund movements

	Balance at At 01.02.23 £	Incoming resources £	Resources expended £	Transfers £	Gains/ (losses) on revaluation £	Balance at At 31.01.24 £
Charity						
Museum group	163,291	186,653	(52,934)	3,280	-	300,290
Swanage 4TC group	246,909	10,666	-	-	-	257,575
T3 restoration	412,650	222,623	-	-	-	635,273
Carriage shed	72,397	-	-	-	-	72,397
	<u>895,247</u>	<u>419,942</u>	<u>(52,934)</u>	<u>3,280</u>	<u>-</u>	<u>1,265,535</u>

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted funds £	2025 Total funds £	2024 Total funds £
Fixed assets	5,917,332	-	5,917,332	5,748,293
Current assets	535,347	1,711,042	2,246,389	2,103,415
Current liabilities	(568,187)	-	(568,187)	(969,348)
	<u>5,884,492</u>	<u>1,711,042</u>	<u>7,595,534</u>	<u>6,882,360</u>

THE SWANAGE RAILWAY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2025

22. OPERATING LEASE COMMITMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	Group 2025 £	Group 2024 £	Charity 2025 £	Charity 2024 £
Expiring:				
Within one year	108,600	299,188	-	-
Between one and five years	410,400	1,484,520	-	-
After five years	1,027,000	4,782,085	-	-
	<u>1,546,000</u>	<u>6,565,793</u>	<u>-</u>	<u>-</u>

The Swanage Railway Company Limited utilises the motive power and engineering support provided by Southern Locomotives Engineering Limited for which there is an agreement under which Swanage Railway Company Limited pays a fixed amount each year.

Southern Locomotives Engineering Limited is a subsidiary of the Southern Locomotives Group, of which a number of the directors of The Swanage Railway Trust are also directors. Details of the transactions can be seen in note 24.

The Swanage Railway Company Limited utilised the locomotive power provided by JMB Locomotive Services. The amount invoiced by JMB Locomotive Services to the trading company during the year was £158,184 (2024: £168,480). A total of £11,232 was the outstanding balance at the year end (2024: £28,080).

23. DEFERRED TAXATION PROVISION

Deferred tax is recognised in the consolidated financial statements in respect of the taxable subsidiary only. The parent charity is not subject to corporation tax and therefore no deferred tax arises in respect of its activities.

	Group 2025 £	Group 2024 £	Charity 2025 £	Charity 2024 £
Balance at 1 February 2024	22,117	34,272	-	-
Provided during year	2,917	(12,155)	-	-
Balance at 31 January 2025	<u>25,034</u>	<u>22,117</u>	<u>-</u>	<u>-</u>

At the year end, a deferred tax asset of £427,700 has been recognised in respect of accumulated tax losses of £1,710,802 (2024: £2,079,279). The recognition of this asset reflects management's judgement that sufficient future taxable profits will be generated within the subsidiary to enable recovery.

THE SWANAGE RAILWAY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2025

24. RELATED PARTY TRANSACTIONS

The total amount outstanding on loans made to Swanage Railway Company Limited by the Trust was £135,719 (2024: £455,719). Interest is charged on the above loans at 1.5% above the Bank of England base rate. Interest charged in the year was £14,275 (2024: £20,722).

As stated in note 22, four trustees/directors have a shareholding in the parent of the Southern Locomotives Group, which is used by the Swanage Railway Group as a supplier. During the year, there was transactions totalling £115,000 (2024: £156,000) with £6,000 (2024: £12,000) outstanding at year end.

Trustees donated amounts totalling £281 (2024: £700) of which £0 (2024: £400) was donated towards the T3 appeal. The remaining donations were without conditions.

25. CAPITAL COMMITMENTS

Prior to the year end, the trustees committed to a contract with Avon Construction for building works on a carriage shed. The amounts committed to but not invoiced until after year end totalled £130,704.

THE SWANAGE RAILWAY TRUST

England & Wales - Charity number 1087318

Accounts

REGISTERED COMPANY NUMBER: 04115126 (England and Wales)
REGISTERED CHARITY NUMBER: 1087318

The Swanage Railway Trust
(A Company Limited by Guarantee)
Consolidated Accounts
For the year ended 31 January 2024

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COMPANIES HOUSE

The Swanage Railway Trust
For the Year Ended 31 January 2024

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The Swanage Railway Trust
Charity information

COMPANY REGISTRATION NO: 4115126

CHARITY NO: 1087318

REGISTERED OFFICE: Station House
Swanage
Dorset, BH19 1HB

TRUST DIRECTORS
(Referred to as Trustees)

F E Roberts (Chair)
W Sheret (Deputy Chair)
G C Johns (Secretary)
R Patterson (Treasurer)
A Atkins (Appointed October 2023)
D Bennett (Appointed October 2023)
C Collins
B Ford
C Hardy (Appointed October 2023)
I Kapur (Appointed October 2023)
T J Parsons (Resigned August 2023)
E M Sellen
P N Sills (Resigned October 2023)
M A Whitwam

PROFESSIONAL ADVISERS

BANKERS

Barclays Bank Plc
Barclays House
Wimborne Road
Poole
Dorset BH15 2BB

AUDITORS

Ward Goodman Audit Services Limited
4 Cedar Park, Cobham Road
Ferndown Industrial Estate
Wimborne
BH21 7SF

**The Swanage Railway Trust
Chairman's Strategic Report
For the Year Ended 31 January 2024**

This is my first Report as your Chair of the Swanage Railway Trust, and it covers the financial year ending on 31st January 2024.

The business of the Swanage Railway Trust is managed by the Trustees who are all members of the Council of Management Trust; its subsidiary is the Swanage Railway Company Limited with a Board of Directors. All trustees and directors are UK registered directors at Companies House in London.

Our business remains seasonal, susceptible to variations in the weather, with the Company again required additional financial support from the Trust during the winter months, as is detailed in these accounts.

In common with many heritage railways the Swanage Railway, experienced tough trading conditions as recovery continued in the aftermath of the Pandemic. There have been other pressures induced by the war in Ukraine and inflation in general; the later in particular impacting on the cost of infrastructure works and new builds such as the Herston Carriage Shed.

Whilst the slow recovery of passenger numbers was evident through summer 2023, this will have been assisted by the 'Kids for a Quid' initiative having a rather more positive effect on visitor numbers than income.

An earlier measure to reduce Company costs resulted in the reduction in two steam train running in peak periods and as a consequence the number of hired locomotives being reduced from four to three , These two actions alone saved the Company considerable costs and whilst this was not universally welcomed it was necessary. Further consideration of locomotive aspects also took place notably the completion of T3 Class 563 and ongoing discussions with Drummond Locomotive Limited in respect of the M7.

During the year, the Company was assisted with a £100,000 Trust grant to operate services to Wareham for the first time since 2017 and fulfilled the Trust obligations relating to the contract with the Dorset Council, by operating a second (90 day) trial.

The Trust's Financial Advisory Group was reformed, and renamed, during summer 2023 and in mid-September it reported serious concerns over the financial position of the Company. As reported to members at the Trust's Annual General meeting on 13th October, a Business Review Group formed of Gavin Johns, Robert Patterson and Frank Roberts. The Group, supported by a wide variety of others across the Railway, conducted a wide-ranging review. Whilst the focus was primarily on consideration of the business of the Company, the Recovery Business Plan was approved by Company Directors and endorsed by Trustees soon after the end of this reporting period.

Without doubt the 2023 Wareham Service was an operational success, and due to national rail strikes on some days the only trains at Wareham were the Swanage Railway services. However, as part of the winter review the Company commissioned a comprehensive and independent review of Wareham operations, and determined that without external grant support, the Wareham service would be unsustainable and could jeopardise the future operations of the Company.

Operation of the Wareham service coupled to the financial arrangements with Polar Express, with the absence of income from advance ticket sales, meant that the Company had acute cash flow issues during the winter requiring substantial Trust support for the Company.

**The Swanage Railway Trust
Chairman's Strategic Report
For the Year Ended 31 January 2024**

After considerable consideration, a £370,000 winter loan was approved by trustees, arrangements being supported by a debenture secured against Company assets arranged through our bank and solicitors. A crucial aspect of the arrangement was the provision of a 3-year Recovery Business Plan developed by the Business Review Group.

One of the highlights of the year was the re-commissioning into service of T3 locomotive No 563 (the only locomotive owned by the Trust) after a £600K restoration appeal. The rededication ceremony on 7th October was attended by many guests who saw this Victorian icon brought back to life, and the event was covered in the national press. Subsequent work has improved the performance of the locomotive which is now able to haul 5-carriage trains.

At the Trust's Annual General Meeting, the Save Your Railway appeal was launched, and by the end of January had raised £104,653. Legacies to the Trust also continued during the year and during 2023/24 this amounted to £275,000.

In addition to a number of new trustees who joined the Council of Management at the first meeting on 4th November 2023, the Trust has been keen to support all its constituent groups which fall under its umbrella. Worthy of note are:

- Purbeck Mining Museum secured £150k of external grant towards the creation of woodland walks
- The Heritage Carriage Group commissioned Maunsell carriage 1346 into service.
- The youth group 'The Sygnets' remains extremely popular with a long waiting list of prospective members
- Corfe Museum recently received accreditation and started work on rebuilding exhibits with lottery grant support.

Looking to future governance the Trust has re-affirmed its commitment to a unitary charitable governance model and the motion at the October 2023 provided Trustees with a mandate to continue with this work.

Trustees would like to express their grateful thanks to Peter Sills and Andrew Moore who stepped down from the Council of Management, and to Trevor Parsons and Keith Usher who also left the Board during this reporting period. Collectively they have offered substantial support to Swanage Railway over many years.

In addition, I wish to offer my personal thanks to everyone who supported the Railway during this reporting period, in whatever endeavour, whether that be a member of staff (paid or volunteer) or as a supporter. Last winter was an extremely challenging time during which we conducted the third structure review since Covid-19; six months after the introduction of a new Plan there are indeed clear signs of recovery.



Frank Roberts, Chair,
Swanage Railway Trust
Date: 31st August 2024

**The Swanage Railway Trust
Directors Report
For the Year Ended 31 January 2024**

The directors are pleased to present their report together with the consolidated financial statements of the charity and its subsidiary company for the year ended 31 January 2024.

STRUCTURE, GOVERNANCE AND MANAGEMENT

CONSTITUTION

The Swanage Railway Trust is a company limited by guarantee and a registered charity governed by its Memorandum and Articles of Association. Its Charity Number is 1087318 and its Company Number is 4115126.

The legal and administrative information set out on page 3 forms part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association, and the Statement of Recommended Practice – Accounting and Reporting by Charities (SORP FRS 102).

MANAGEMENT

The Swanage Railway Trust has a single management body, the Board of Directors (also known as the Council of Management), elected by the members for a two year period. Fifty percent of the directors are required to retire by rotation each year at the Trust's Annual General Meetings.

The Council of Management delegate day to day responsibilities of managing the Railway to The Swanage Railway Company's Senior Management Team, overseen by the Company Board or Directors. The Directors consider the following people to be part of Key Management.

Directors;

N Au

G J Johns

T Parsons (Resigned August 2023)

R Patterson (Resigned February 2023, reappointed November 2023)

K Potts

F E Roberts (Appointed from November 2023)

E Sellen

K Usher (Resigned October 2023)

M Alldrick (Resigned February 2023)

Senior Managers;

J Cox (Carriage & Wagon Manager)

G Froud (Steam Locomotive Superintendent)

A Haddon (Health Safety and Compliance Manager)

A Haines (Operations Manager)

L Lock (Finance and Personnel Manager)

M Trott (Passenger Services Manager)

**The Swanage Railway Trust
Directors Report
For the Year Ended 31 January 2024**

Key Management Personnel are employed by the Swanage Railway Company and are remunerated in accordance with the pay structures established by its Directors who act with the authority delegated by the Council of Management.

DIRECTORS MEETINGS

The Council of Management meets 8 times a year with a number of additional on-line meetings.

DIRECTOR INDUCTION AND TRAINING

The directors of the charitable company are the trustees for the purpose of charity law and throughout this report are referred to as the directors.

The Directors of the Trust are elected by the membership of the Trust or, in the case of the Secretary and Treasurer, can be appointed ex-officio in order to ensure that the Board has suitably experienced persons in these positions. All Directors of the Trust are members of the Trust and as such are familiar with the overall goals of the Trust. A formal review of the Trust policies is held annually at the meeting following elections to ensure that these remain appropriate and that the new Directors are familiar with them.

The Swanage Railway Trust provides a briefing pack to members considering standing for election to the Council of Management. This pack includes, inter-alia, a copy of the Trust's Articles of Association, a copy of the Trust's formal policies and a copy of CC3 – The Charity Commission's guide for new Trust Directors. Successful candidates are asked to confirm receipt of these in writing and that they understand the information contained therein. Any changes to the guidance issued by the Charity Commission will be considered by the appropriate director, and where necessary, discussed at a meeting of the Council of Management.

OBJECTIVES AND ACTIVITIES

The objectives of the Swanage Railway Trust, as set down in its Memorandum of Association, is to study, compile records on and acquire, restore, preserve and maintain railway lines, locomotives, rolling stock and other items of railway interest, and to provide training and instruction in such activities and in particular but without prejudice to the generality of the foregoing those associated with the Isle of Purbeck, the former London and South Western Railway, other Railways which were in existence in Southern England during and before the year of nineteen hundred and twenty-three, the Southern Railway, and the Southern Region of British Railways, and to enter in such agreements and to take all such steps as may be necessary for these purposes, and to organise, sponsor and support displays and such other shows and events for the provision and stimulation of information, education and interest in such vehicles and other items of railway interest.

The SRC Board use annual passenger numbers on the railway to measure the performance of the Group.

A review of business describing how objectives and activities have been achieved in the current year has been included in the Chairman's Strategic Report which starts on page 4.

**The Swanage Railway Trust
Directors Report
For the Year Ended 31 January 2024**

PUBLIC BENEFIT

The directors have given due regards to the requirement of the Charity Commission with respect to public benefit.

RISK MANAGEMENT

The major risks that the Swanage Railway Trust and its trading subsidiary face the Swanage Railway Company Limited have been considered by separate review groups.

The major risks considered by the Trust are:

- Lack of funding and difficulties in fundraising to prevent the Trust from achieving its objectives which leads to inability to fund key infrastructure and heritage projects
- Adverse trading conditions of its subsidiary
- Difficulties in recruiting volunteers

These risks may cause a delay in the Trust achieving its objectives or curtail the operations of the trading subsidiary.

RELATED PARTIES

The charity acknowledges a relationship with:-

The Swanage Railway Company Limited	JMB Locomotive Services
Southern Locomotives Hire Ltd	Drummond Locos Ltd
Southern Locomotives Engineering Limited	National Railway Museum
71A Locomotive Ltd	563 Locomotive Group
Class 33/1 Preservation Co. Ltd	

The Swanage Railway Trust holds a controlling interest in the Swanage Railway Company Limited, which assists the Trust in meeting its objectives by operating the Swanage Railway and undertaking the associated trading activities. Whilst the company has a paid staff it is still heavily dependent on the supply of volunteers by the Trust for the operation of its train services and the maintenance and development of the railway.

A number of the directors of the Swanage Railway Trust are also directors of the Swanage Railway Company Limited. It is current Trust policy that the majority of voting Directors of the Swanage Railway Company are also Directors of the Swanage Railway Trust.

VOLUNTEERS

The charity is heavily dependent on the volunteers who perform many different tasks to assist with the management, administration, maintenance and operation of the railway.

FUNDRAISING STANDARDS INFORMATION

The charity does not use professional fundraisers or direct mail. Members receive regular communication through the magazine and appeal information is on the charity's website. The trustees are satisfied that there is no undue pressure on members of the public to donate to The Swanage Railway Trust.

The Swanage Railway Trust
Directors Report
For the Year Ended 31 January 2024

FINANCIAL REVIEW

The level of consolidated income has decreased largely because of the reduction of capital grants from outside organisations which were made to the trading subsidiary as those projects near completion although this is matched by a decrease in capital and revenue expenditure. Legacy income in the Trust was also substantially greater this year. The Trust has continued to make grants to the Swanage Railway Company Limited for the restoration and construction of railway buildings, track maintenance, locomotives and rolling stock which are part of the objectives of the Trust.

Consolidated funds total £6,653,439 at 31 January 2024 (2023 - £6,265,677). There is a requirement for a high level of reserves given the substantial investment by the Trust and its subsidiary in fixed assets.

RESERVES POLICY

The Group has a requirement for a high level of reserves due to its large investment in fixed assets and its trading subsidiary and for setting aside resources for future projects.

Where funds have been raised for specific projects, the Group maintains separate funds either as designated or restricted funds – see notes 14 and 15.

The available reserves of the Group are as follows:

Total consolidated funds at 31 January 2024	6,653,439
Less:-	
- Tangible Fixed assets	5,653,133
- Fixed asset investments	95,160
- Restricted funds held in bank balances	166,468
	738,678

Free reserves are calculated by deducting fixed assets from the unrestricted (and undesignated) reserves held at the year-end. The trustees are able to undesignate reserves if required.

Funds in relation to fixed assets would only be released on the sale of those assets.

The Group will continue to invest in fixed assets and locomotive overhaul in 2024/25.

**The Swanage Railway Trust
Directors Report
For the Year Ended 31 January 2024**

FUTURE PLANS

The Group intends to use its strategic objectives to utilise its resources and to develop its museum facilities and collections and to restore further items of equipment appropriate to its need for use on the Swanage Railway.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the consolidated financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the directors 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 the group and of the incoming resources and application of resources, including income and expenditure of the charitable company and the group for that period. In preparing these financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities Statement of Recommended Practice (SORP);
- Make judgments and estimates that are reasonable and prudent;
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charitable group will continue in business.

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.

**The Swanage Railway Trust
Directors Report
For the Year Ended 31 January 2024**

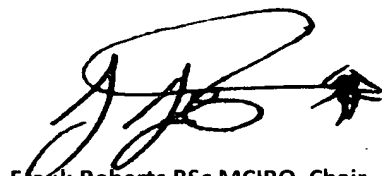
In so far as the directors are aware:

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

The Auditors, Ward Goodman, have been informed that the Swanage Railway intends to appoint a new auditor at their respective Trust and Company Annual General Meetings on Saturday 12th October 2024. Ward Goodman has expressed its willingness to ensure a smooth transfer to the new Auditor.

The Chair of the Swanage Railway Trust, on behalf of the Swanage Railway Company Limited and all constituent groups, wishes to place on record an appreciation in respect of the high level of assistance and support received from Ward Goodman, since it took over its audit role from Shipleys LLP in 2013.

Approved by Order of the Directors

A handwritten signature in black ink, appearing to be 'FRANK ROBERTS', with a stylized flourish at the end.

**Frank Roberts BSc MCIRO Chair,
Swanage Railway Trust
Date: 31st August 2024**

**Report of the Independent Auditors of
The Swanage Railway Trust
For the Year Ended 31 January 2024**

Opinion

We have audited the consolidated financial statements of The Swanage Railway Trust (the parent company and its trading subsidiary, together 'the group') for the year ended 31 January 2024 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets and the consolidated statement of cashflows and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 January 2024 and of the group's and parent charitable company's incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the group and the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the director's' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Report of the Independent Auditors of
The Swanage Railway Trust
For the Year Ended 31 January 2024**

Other information

The trustees and directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Statement of Director's Responsibilities set out on page eleven, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

**Report of the Independent Auditors of
The Swanage Railway Trust
For the Year Ended 31 January 2024**

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities including fraud. The extent to which are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks applicable to the Group and the sector in which they operate. We determined that the following laws and regulations were most significant: the Companies Act 2006, the UK Corporate Governance Code, UK corporate taxation laws and UK government Covid-19 support schemes.
- We obtained an understanding of how the Group are complying with those legal and regulatory frameworks by making inquiries to the management. We corroborated our enquiries through our review of board minutes and papers provided to the Committee of Management.
- We assessed the susceptibility Group's financial statements to material misstatement, including how fraud might occur.

Audit procedures performed by the engagement team included:

- 1) Identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
- 2) Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
- 3) Challenging assumptions and judgments made by management in its significant accounting estimates;
- 4) Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations; and
- 5) Assessing the extent of compliance with the relevant law and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

**Report of the Independent Auditors of
The Swanage Railway Trust
For the Year Ended 31 January 2024**

Use of our report

This report is made solely to the group and charitable company. Our audit work has been undertaken so that we might state to the group and charitable company those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the group and charitable company as a body, for our audit work, for this report, or for the opinions we have formed.



Ian M Rodd BSc FCA FCCA (Senior Statutory Auditor)
For and on behalf of Ward Goodman Audit Services Limited
Statutory Auditor
4 Cedar Park
Cobham Road
Ferndown Industrial Estate
Wimborne
Dorset
BH21 7SF

Date: 31st August 2024

The Swanage Railway Trust
Consolidated Statement of Financial Activities
For the Year Ended 31 January 2024
(Incorporating the Consolidated Income and Expenditure Account)

	Notes	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Total 2023 as restated £
Incoming Resources					
Voluntary Income:					
Appeals, donations, legacies and covenants		492,609	267,251	759,860	436,654
Grant income		1	150,690	150,691	1,929
Activities for generating funds:					
Membership subscriptions		52,351	-	52,351	42,927
Fund raising and other income		23,341	-	23,341	21,306
Trading income		2,842,915	-	2,842,915	2,905,971
Investment income		37,879	2,001	39,880	1,857
Government grants		-	-	-	-
Total Incoming Resources		3,449,096	419,942	3,869,038	3,410,644
Resources Expended					
Cost of generating funds					
Trading expenses		3,263,853	-	3,263,853	3,439,587
Fundraising costs		6,015	-	6,015	5,720
Charitable activities		243,417	52,934	296,351	222,516
Total Resources Expended	5	3,513,285	52,934	3,566,219	3,667,823
Net Incoming Resources		(64,189)	367,008	302,819	(257,179)
Provision for deferred taxation		12,154	-	12,154	108,132
Revaluation adjustment		72,789	-	72,789	(1,100)
Transfers between funds		(3,280)	3,280	-	-
Net movement in funds		17,474	370,288	387,762	(150,147)
Funds at 1 February 2023		5,370,430	895,247	6,265,677	6,415,824
Funds at 31 January 2024	14,15	5,387,904	1,265,535	6,653,439	6,265,677

**The Swanage Railway Trust
Consolidated Balance Sheet
As at 31 January 2024**

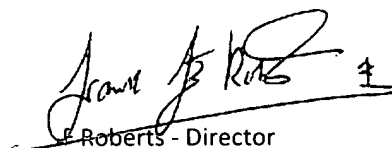
		2024	2023
		£	as restated £
Fixed Assets	Notes		
Tangible Fixed Assets	7	5,653,133	5,469,062
Fixed asset investments - listed	9	95,160	3,486
Total fixed assets		<u>5,748,293</u>	<u>5,472,548</u>
Current Assets			
Stocks	10	85,361	84,055
Debtors and prepayments	11	412,969	387,006
Cash at bank and in hand		1,605,085	1,517,852
		<u>2,103,415</u>	<u>1,988,913</u>
Creditors: Amounts falling due within one year			
Creditors and accruals	12	(969,348)	(877,327)
Net Current Assets		1,134,067	1,111,586
Total assets less current liabilities		<u>6,882,360</u>	<u>6,584,134</u>
Creditors: Amounts falling due after more than one year	12	(206,804)	(284,185)
PROVISIONS FOR LIABILITIES		(22,117)	(34,272)
Net Assets		<u>6,653,439</u>	<u>6,265,677</u>
Unrestricted Funds;			
General funds		4,035,750	4,197,809
Designated funds		782,587	801,419
Revaluation funds		569,567	371,202
	14	<u>5,387,904</u>	<u>5,370,430</u>
Restricted funds	14	1,265,535	895,247
Total funds	15	<u>6,653,439</u>	<u>6,265,677</u>

REGISTERED COMPANY NUMBER: 04115126 (England and Wales)

REGISTERED CHARITY NUMBER: 1087318

These financial statements were approved by the Directors and authorised for issue on 31st August 2024 and are signed on their behalf by:


G C Johns - Director


F Roberts - Director

The Swanage Railway Trust
Balance Sheet
As at 31 January 2024

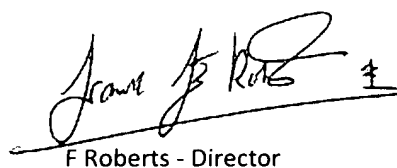
	Notes	2024 £	2023 £
Fixed Assets			
Tangible Fixed Assets	7	1,515,113	1,340,541
Fixed asset investments - listed	9	95,160	3,486
Investment in subsidiaries	8	470,605	470,605
Total fixed assets		<u>2,080,878</u>	<u>1,814,632</u>
Current Assets			
Stocks	10	-	-
Debtors and prepayments	11	785,663	444,962
Cash at bank and in hand		1,524,019	1,394,782
		<u>2,309,682</u>	<u>1,839,744</u>
Creditors: Amounts falling due within one year			
Creditors and accruals	12	(583,111)	(349,541)
Net Current Assets		<u>1,726,571</u>	<u>1,490,203</u>
Total assets less current liabilities		<u>3,807,449</u>	<u>3,304,835</u>
Creditors: Amounts falling due after more than one year	12	(102,598)	(106,582)
Net Assets		<u>3,704,851</u>	<u>3,198,253</u>
Unrestricted Funds;			
General funds		1,656,729	1,501,587
Designated funds		782,587	801,419
Revaluation funds		-	-
	14	<u>2,439,316</u>	<u>2,303,006</u>
Restricted funds	14	1,265,535	895,247
Total funds	14	<u>3,704,851</u>	<u>3,198,253</u>

REGISTERED COMPANY NUMBER: 04115126 (England and Wales)

REGISTERED CHARITY NUMBER: 1087318

These financial statements were approved by the Directors and authorised for issue on 31st August 2024, and are signed on their behalf by:


G C Johns - Director


F Roberts - Director

The Swanage Railway Trust
Consolidated Cashflow Statement
For the Year Ended 31 January 2024

	Note	2024 £	2023 as restated £
Cash flows from operating activities:			
Cash generated from operations	1	627,451	27,462
Interest received		39,880	1,857
Interest paid		(12,936)	(8,624)
Net cash provided by (used in) operating activities		654,395	20,695
Cash flows from investing activities			
Purchase of equipment		(344,251)	(389,636)
Proceeds from sale of fixed assets		-	29,000
(Gains)/Losses on revaluation of investments		(72,789)	1,100
Purchase of investments		(100,125)	
Net cash flows from investing activities		(517,165)	(359,536)
Cash flows from financing activities			
Capital repayment of Hire Purchase leases		-	-
New loans in the year		-	-
Interest paid		-	-
Loans repaid		(49,997)	(45,798)
Net cash flows from financing activities		(49,997)	(45,798)
Net increase/(decrease) in cash and cash equivalents		87,233	(384,639)
Cash and cash equivalents at the beginning of the year		1,517,852	1,902,491
Cash and cash equivalents at the end of the year		1,605,085	1,517,852
Reconciliation to cash at bank and in hand:			
Cash at bank and in hand		1,605,085	1,517,852
Bank overdrafts		-	-
Cash and cash equivalents		1,605,085	1,517,852

The Swanage Railway Trust
Notes to the Consolidated Cashflow Statement
For the Year Ended 31 January 2024

1 Cash flows from operating activities

	2024	2023
	£	as restated £
Net Surplus/(Deficit)	302,819	(257,179)
Adjustment for;		
Depreciation charges	228,060	218,975
Reclassification of tangible fixed assets	-	-
Gains/(Losses) on revaluation of investments	72,789	(1,100)
Investment income	(39,880)	(1,857)
Interest paid	12,936	8,624
Impairment losses	-	-
(Gain)/loss on disposal of fixed assets	13,363	12,110
Cash flows before movement in working capital	<u>590,087</u>	<u>(20,427)</u>
(Increase) / Decrease in stock	(1,306)	(10,818)
(Increase) / Decrease in debtors	(25,963)	(284,223)
Increase / (Decrease) in creditors	64,633	342,930
Cash generated by operations	<u><u>627,451</u></u>	<u><u>27,462</u></u>

2 Analysis of changes in net debt

	At 1 Feb 2023 as restated £	Cash flows £	At 31 Jan 2024 £
Cash and cash equivalents			
Cash at bank and in hand	1,517,852	87,233	1,605,085
Debt			
Falling due within one year	(50,000)	-	(50,000)
Falling due after one year	(207,202)	49,997	(157,205)
	<u><u>1,260,650</u></u>	<u><u>137,230</u></u>	<u><u>1,397,880</u></u>

**The Swanage Railway Trust
Notes to the Consolidated Accounts
For the Year Ended 31 January 2024**

1. ACCOUNTING POLICIES

1.0 Legal form

The Swanage Railway Trust Limited, a public benefit company under FRS 102, is incorporated as a Company limited by guarantee, registered in England and Wales (company number 4115126). The registered office address is on page 3 of these accounts. The company is also a registered charity in England (charity number 1087318).

The Swanage Railway Company Limited is incorporated as a Company limited by shares, registered in England and Wales (company number 01412568). The registered office address is on page 3 of these accounts.

1.1 Basis of preparation

The Financial statements have been prepared under the historical cost convention as modified by the revaluation of the locomotives and rolling stock and are in accordance with Financial Reporting Standard 102, the Companies Act 2006 and the Charities Accounting Statement of Recommended Practice (SORP FRS 102).

1.2 Basis of Consolidation

The consolidated accounts present the financial statements of The Swanage Railway Trust and its subsidiary the Swanage Railway Company Limited as if they formed a single entity. Intercompany transactions and balances have therefore been eliminated in full. The Group has taken advantage of section 408 of the Companies Act 2006 by not providing a separate statement of financial activities for the subsidiary.

1.3 Incoming Resources

Membership income:

Annual subscriptions from members are included in full in the year they are received. Life membership subscriptions are credited to the life membership account and from there to income in equal annual instalments over ten years.

Voluntary income and donations:

All voluntary income and donations are accounted for gross when received. Due to the nature of donations and fund raising income the directors have no control over this until received and entered into the records.

Trading income:

Income from the subsidiary trading company is included in the period in which it is generated.

Legacy income:

Legacy income is recognised at the earlier of the charity being notified or the legacy being received.

Government Grants:

Government grants shall be recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate.

1.4 Resources Expended

All resources expended are classified under activity headings that aggregate all costs related to the category.

- Cost of generating funds comprises the costs of fundraising and trading activities.
- Charitable activities include the costs incurred directly in the fulfillment of the Charity's objectives.
- Governance costs represent those costs of the strategic management of the charity and of complying with constitutional and statutory requirements.

The Swanage Railway Trust
Notes to the Consolidated Accounts
For the Year Ended 31 January 2024

1. ACCOUNTING POLICIES - continued

1.4 Resources Expended (continued)

Liabilities are recognised as resources expended once there is a legal or constructive obligation to make a payment to a third party.

All expenditure is included in the Statement of Financial Activities on an accruals basis net of recoverable VAT.

1.5 Operating Leases

Rentals payable under operating leases are charged to the Statement of Financial Activities as incurred over the term of the lease.

1.6 Tangible Fixed Assets

Fixed assets are included at cost or valuation. Expenditure on repairs and renewals and minor items of equipment is written off in the year in which it is incurred.

Freehold land is not depreciated.

1.7 Heritage Assets

Part of the Objectives of the Trust is to acquire, restore, preserve and manage heritage locomotives and rolling stock. These assets are included in the accounts of the Trust at valuation and are not subject to an annual depreciation charge, as in the opinion of the directors the nature of the assets concerned and the level of maintenance is such that there is no significant annual depreciation. Any permanent diminution in the value of such assets is charged to the Consolidated Statement of Financial Activities when recognised in accordance with FRS 102.

Detailed information on the locomotives and rolling stock of the Trust and its subsidiary company can be found at www.swanagerailway.co.uk.

1.8 Infrastructure, plant and equipment

Infrastructure, plant and equipment is stated in the balance sheet at cost less accumulated depreciation.

Depreciation is calculated to write off the cost of the assets concerned on either a straight line basis or a reducing balance basis over their estimated useful lives at the following rates:-

Plant and machinery;

Fixtures and fittings, plant and equipment – 20% Reducing balance

Computer equipment – 25% Straight line

Motor vehicles – 10% Straight line

Rolling stock – Not depreciated

Furniture – 20% Straight line

Fixtures and equipment – 20% Straight line

Long leasehold - over the term of the lease

Permanent way – 2% Straight line

Buildings and railway structures – 4% Straight line

Freehold land - not depreciated

The Swanage Railway Trust
Notes to the Consolidated Accounts
For the Year Ended 31 January 2024

1. ACCOUNTING POLICIES - continued

1.9 Impairment of Fixed assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in the Statement of financial activities as described below.

An Asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, that estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

1.10 Stocks

Stocks are valued at the lower of cost or net realisable value.

1.11 Investments

All investments in locomotive preservation groups are stated at cost.

Investment in the Trust's subsidiary company the Swanage Railway Company Limited is stated at cost. Investments in listed entities are measured at market value at the year end. The listed investments were gifted to the Trust as part of a legacy in previous years and are held to earn investment income. The Trust has no plans or policies in place for further investment in listed entities.

1.12 Fund accounting

Unrestricted funds are available to use to further any of the purposes of the charity, at the discretion of the trustees.

Designated funds are unrestricted funds of the charity which have been set aside by the trustees to fund particular activities of the charity.

Restricted funds are donated for particular areas of the charity work or specific projects undertaken. Restrictions arise when specified by the donor, by the trust deed or when funds are raised for particular restricted purposes.

1.13 Financial instruments

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

Basic financial assets;

Basic financial assets, which include trade and other receivables 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 future receipts discounted at a market rate of interest.

Basic financial liabilities;

Basic financial liabilities, including trade and other payables, bank loans, and loans from group companies are initially recognised at transaction price. Financial liabilities due in more than one year are initially measured at transaction price and subsequently measured at amortised cost using the effective interest method.

**The Swanage Railway Trust
Notes to the Consolidated Accounts
For the Year Ended 31 January 2024**

1. ACCOUNTING POLICIES - continued

1.13 Financial instruments (continued)

Financial liabilities constituting financing transactions are initially measured at the present value of the future payments discounted at a market rate of interest.

Derecognition of financial assets and liabilities;

Financial assets and liabilities are derecognised when the Group's contractual rights or obligations expire or are discharged, transferred or cancelled.

1.14 Significant judgement and estimates

In the application of the group's accounting policies, which are described above, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

These estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are areas that are considered to be key sources of estimation uncertainty, there are no significant judgements to note.

Useful life and residual values of tangible fixed assets;

The economic useful life of tangible fixed assets and the expected residual value on future disposal is estimated by the Directors based on their knowledge and experience. The total carrying value of fixed assets at 31 January 2024 was £5,637,397.

1.15 Finance Leases

Finance leases are measured at the present value of future lease payments and interest is accrued using the sum of digits method.

1.16 Taxation

The Trust is a registered charity and as such is entitled to certain tax exemptions on surpluses on any trading activities carried on in furtherance of the charity's primary objectives.

Deferred Taxation - Subsidiary only:

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

The Swanage Railway Trust
Notes to the Consolidated Accounts
For the Year Ended 31 January 2024

2. Incoming resources	Unrestricted Funds 2024 £	Restricted Funds 2024 £	Total 2024 £	Total 2023 as restated £
Voluntary income (Trust)				
Donations, legacies and covenants	160,798	239,136	399,934	172,966
Gift aid	14,748	28,115	42,863	21,415
Legacies	317,064	-	317,064	242,274
Grant income	-	150,690	150,690	1,929
Membership subscriptions	52,351	-	52,351	42,927
Fundraising and other income	23,341	-	23,341	21,306
Investment income	37,879	2,001	39,880	1,857
Total voluntary income from Trust	606,181	419,942	1,026,123	504,674
Activities for generating funds (Subsidiary Company)				
Heritage passenger fare income	2,229,815	-	2,229,815	2,338,563
Wareham fare income	-	-	-	-
Shop income	185,759	-	185,759	163,915
Catering income	145,632	-	145,632	123,053
Other income	281,709	-	281,709	280,439
Insurance claims	-	-	-	-
Revenue grants	-	-	-	-
Government grants	-	-	-	-
Total income from activities in subsidiary company	2,842,915	-	2,842,915	2,905,970
Total consolidated incoming resources	3,449,096	419,942	3,869,038	3,410,644

The Swanage Railway Trust
Notes to the Consolidated Accounts
For the Year Ended 31 January 2024

3. Subsidiary results

The Trust discharges its charitable objectives through its subsidiary the Swanage Railway Company Limited, a company incorporated in the UK. A summary of the trading results including intergroup trading is set out below. Audited accounts are filed with Companies House.

	2024	2023 as restated
	£	£
Turnover	3,013,671	2,981,420
Cost of sales	(1,345,225)	(1,439,408)
Gross profit	1,668,446	1,542,012
Administrative expenses	(1,850,981)	(1,960,555)
Operating profit	(182,535)	(418,543)
Government grants	-	-
Interest payable	(33,658)	(8,624)
Interest receivable	65	186
Other income	-	-
Net profit/ (loss) on ordinary activities	(216,128)	(426,981)
Less: Deferred taxation	12,154	108,132
Heritage asset revaluation	198,365	
Total Comprehensive Income for the year	(5,609)	(318,849)
Prior year adjustment	(130,566)	
Total Comprehensive Income since last annual report	(136,175)	
Net assets	1,167,251	1,172,860

Prior year adjustment

A prior year adjustment was made in the subsidiaries accounts, which has impacted the accounts for the group. During the year ended 31 January 2024 the board conducted a full review of fixed assets. Within Assets Under Construction, an asset to the value of £326,415 was identified which has been in operation for 5 years. A prior year adjustment has therefore been completed to recognise the asset within Plant & Machinery as a rolling stock asset which is depreciated over a 10 years straight line basis. The overall effect on the brought forward reserves as a result of the depreciation charge is a reduction of £130,566.

The Swanage Railway Trust
Notes to the Consolidated Accounts
For the Year Ended 31 January 2024

4 Comparative Consolidated Statement of Financial Activities

	Notes	Unrestricted 2023 as restated £	Restricted 2023 as restated £	Total 2023 as restated £	Total 2022 £
Incoming Resources					
Voluntary Income:					
Appeals, donations, legacies and covenants		281,939	154,715	436,654	411,617
Grant income		-	1,929	1,929	493,467
Activities for generating funds:					
Membership subscriptions		42,927	-	42,927	39,263
Fund raising and other income		21,306	-	21,306	24,501
Trading income		2,905,971	-	2,905,971	2,350,587
Investment income		1,756	101	1,857	75
Government grants		-	-	-	58,252
Total Incoming Resources	2	3,253,899	156,745	3,410,644	3,377,762
Resources Expended					
Cost of generating funds					
Trading expenses		3,439,587	-	3,439,587	2,543,271
Fundraising costs		5,720	-	5,720	8,952
Charitable activities		184,577	37,939	222,516	176,769
Total Resources Expended	5	3,629,884	37,939	3,667,823	2,728,992
Net Incoming Resources		(375,985)	118,806	(257,179)	648,770
Provision for deferred taxation		108,132	-	108,132	(142,403)
Revaluation adjustment		(1,100)	-	(1,100)	1,046
Transfers between funds		(2,983)	2,983	-	-
Net movement in funds		(271,936)	121,789	(150,147)	507,413
Funds at 1 February 2022		5,642,366	773,458	6,415,824	6,006,335
Funds at 31 January 2023	14,15	5,370,430	895,247	6,265,677	6,513,748

The Swanage Railway Trust
Notes to the Consolidated Accounts
For the Year Ended 31 January 2024

5. Total Resources Expended

	Premises & railway running costs £	Admin, salaries and other £	Dep'n £	Total 2024 £	Total 2023 £ as restated
Charitable Activities:					
Rent	108,457	-	-	108,457	102,864
Rates & utilities	15,326	-	-	15,326	15,920
Printing & stationery	-	55,976	-	55,976	28,673
Repairs & other	37,780	36,924	9,700	84,404	61,861
Auditors remuneration (audit)	-	6,050	-	6,050	5,748
Auditors remuneration (non audit)	-	9,886	-	9,886	6,477
Other legal and professional	-	4,153	-	4,153	973
Total charitable activities	161,563	112,989	9,700	284,252	222,516
Costs of generating funds:				(12,099)	
Fundraising costs	-	6,015	-	6,015	5,720
Trading costs (subsidiary only)	1,579,747	1,477,846	206,260	3,263,853	3,439,587
Total cost of generating funds	1,579,747	1,483,861	206,260	3,269,868	3,445,307
Total resources expended	1,741,310	1,596,850	215,960	3,554,120	3,667,823

Included under trading costs, above, are £9,750 (2023: £9,275) of fees paid to the auditor of the subsidiary's financial statements of which £7,200 (2023: £6,860) were for audit services.

6. Staff costs

	Trust and Subsidiary	
	2024 £	2023 £ as restated
Wages and salaries	938,610	982,602
Social security costs	76,491	83,964
Pension costs	17,507	16,243
	1,032,608	1,082,809

The Swanage Railway Company Limited had 35 (2023: 39) employees at the year end, excluding directors. All staff members are employed by Swanage Railway Company Limited.

None of the directors of The Swanage Railway Trust or Company received any remuneration for their services. Expenses were reimbursed to the directors during the year for out of pocket expenses incurred in accordance with their duties as directors.

Key Management Personnel salaries for the year to 31 January 2024 was £214,193 (2023: £247,908).

The Swanage Railway Trust and the Swanage Railway Company Limited are both heavily reliant on volunteer staff in all areas of their activities.

There were no employees with emoluments above £60,000 in the Swanage Railway Company or Swanage Railway Trust.

The Swanage Railway Trust
Notes to the Consolidated Accounts
For the Year Ended 31 January 2024

7. Tangible fixed assets

	Subsidiary						Total Company	Trust						Total Trust	Total
	Land and Buildings	Heritage Assets	Plant		Permanent Way and Other Assets	Assets Under Construction		Land and Buildings	Long Leasehold	Heritage Assets	Plant				
			Machinery and Equipment	Shop Fittings and Equipment							Machinery and Equipment	Assets Under Construction			
Cost	£	£	£	£	£	£	£	£	£	£	£	£	£	£	
At 1 Feb 2023	911,387	1,031,635	1,610,128	3,387	1,874,484	556,189	5,987,210	177,971	-	1,176,562	33,898	25,387	1,413,818	7,401,028	
Additions	-	-	-	-	-	30,755	30,755	12,350	-	300,196	-	950	313,496	344,251	
Disposals	(4,004)	-	(48,311)	-	-	-	(52,315)	-	-	-	-	-	-	(52,315)	
Revaluation	-	198,365	-	-	-	-	198,365	-	-	(117,125)	-	-	(117,125)	81,240	
Reclassification	(26,008)	-	31,217	-	26,008	(31,217)	-	-	188,133	(188,133)	-	-	-	-	
As 31 Jan 2024	881,375	1,230,000	1,593,034	3,387	1,900,492	555,727	6,164,015	190,321	188,133	1,171,500	33,898	26,337	1,610,189	7,774,204	
Depreciation															
At 1 Feb 2023	415,240	-	968,624	3,305	471,517	-	1,858,686	42,729	-	-	30,548	-	73,277	1,931,963	
Charge for the year	38,377	-	123,942	18	43,924	-	206,261	9,055	12,099	-	645	-	21,799	228,060	
Eliminated on disposal	-	-	(38,952)	-	-	-	(38,952)	-	-	-	-	-	-	(38,952)	
At 31 Jan 2024	453,617	-	1,053,614	3,323	515,441	-	2,025,995	51,784	12,099	-	31,193	-	95,076	2,121,071	
Net Book Value															
At 31 Jan 2024	427,758	1,230,000	539,420	64	1,385,051	555,727	4,138,020	138,537	176,034	1,171,500	2,705	26,337	1,515,113	5,653,133	
At 31 Jan 2023	496,147	1,031,635	641,504	82	1,402,967	556,189	4,128,524	135,242	-	1,176,562	3,350	25,387	1,340,541	5,469,065	

Heritage assets were revalued as at 31st January 2024.

The subsidiary company capital expenditure during the year comprised the construction of a new pad for the lifting jacks in the goods shed road.

The Swanage Railway Trust
Notes to the Consolidated Accounts
For the Year Ended 31 January 2024

7. Tangible fixed assets (Continued)

The group continues to acquire new heritage assets in accordance with its acquisitions policy. In the last five years, acquisitions have been made as follows:

Heritage Assets	2024	2023	2022	2021	2020
	£	£	£	£	£
Additions - Funded	300,196	189,515	165,370	245,000	212,067
Additions - Donated	-	-	-	-	-
Disposals (net book value)	-	-	(1,500)	(250)	(32,500)
Proceeds from disposals	-	-	-	-	-
Impairment to Heritage assets	- 188,133.00	-	(350)	37,003	-

8. INVESTMENT IN THE SWANAGE RAILWAY COMPANY LIMITED (company number 01412568)

The Trust discharges part of its charitable objectives through its subsidiary, the Swanage Railway Company Limited, which operates the Swanage Railway and undertakes the associated trading activities.

The share structure of the Swanage Railway Company Limited is such that The Swanage Railway Trust is the only shareholder who can hold voting shares in the Company. The effect of this structure is that The Swanage Railway Trust controls the Swanage Railway Company Limited. The trust owns 96% of the issued share capital of The Swanage Railway Company Limited.

An extract of the subsidiary's income statement is in note 2 to these accounts.

An extract from the Balance Sheet of the Swanage Railway Company Limited at 31 January 2024 is as follows:-

	2024	2023
	£	£
	as restated	
Fixed assets	4,138,020	4,128,524
Current assets	248,066	284,883
Current liabilities	(974,030)	(780,067)
Total assets less current liabilities	3,412,056	3,633,340
Creditors due in more than one year	(2,222,688)	(2,426,208)
Provisions for liabilities	(22,117)	(34,272)
	<u>1,167,251</u>	<u>1,172,860</u>
Called up share capital - owned by trust see page 18	470,605	470,605
Called up share capital - owned by members	16,358	16,358
Revaluation reserve	569,567	371,202
Profit and loss account	110,721	314,695
	<u>1,167,251</u>	<u>1,172,860</u>

The Swanage Railway Trust
Notes to the Consolidated Accounts
For the Year Ended 31 January 2024

9. INVESTMENTS IN LISTED ENTITIES

	£
Market value at 1 February 2023 as restated	3,486
Additions	100,125
Disposals	-
Net investment (losses)/gains	(8,451)
Market value at 31 January 2024	<u><u>95,160</u></u>

10. STOCKS

	Trust and Subsidiary		Trust	
	2024	2023	2024	2023
		as restated		as restated
	£	£	£	£
Shop stocks for resale	33,895	29,775	-	-
Catering stock	3,541	4,863	-	-
Consumable stocks	47,763	47,578	-	-
Special events stock	-	1,666	-	-
Driver experience	162	173	-	-
	<u>85,361</u>	<u>84,055</u>	<u>-</u>	<u>-</u>

11. DEBTORS AND PREPAYMENTS

	Trust and Subsidiary		Trust	
	2024	2023	2024	2023
		as restated		as restated
	£	£	£	£
Trade debtors	45,971	26,359	124	4,014
Loan to the Swanage Railway Company Limited	-	-	455,719	135,719
Other debtors	289,767	276,267	289,767	276,269
Prepayments and accrued income	53,751	46,448	23,288	13,629
VAT	23,480	37,932	16,765	15,331
	<u>412,969</u>	<u>387,006</u>	<u>785,663</u>	<u>444,962</u>

The total amount outstanding on the Winter Loan from Swanage Railway Trust Limited to Swanage Railway Company Limited at 31 January 2024 was £320,000 (2023: £nil).

Interest is charged at 1.5% above the banks base lending rate and the amount of interest charged in the year was £20,722 (2023 - £nil).

At 31 January 2024, there was an other debtor of £455,719 (2023: £135,719) due from Swanage Railway Company Limited to Swanage Railway Trust.

The Swanage Railway Trust
Notes to the Consolidated Accounts
For the Year Ended 31 January 2024

12. CREDITORS AND ACCRUALS

Due within one year	Trust and Subsidiary		Trust	
	2024	2023	2024	2023
	as restated		as restated	
	£	£	£	£
Trade creditors	684,089	596,617	549,641	326,015
Taxation and social security	18,336	29,375	-	-
Bank loans	50,000	50,000	-	-
Members loans	-	-	-	-
Life membership equalisation account	12,930	11,700	12,930	11,700
Other creditors, accruals, deferred income	203,992	189,635	20,540	23,526
	<u>969,347</u>	<u>877,327</u>	<u>583,111</u>	<u>361,241</u>

Deferred income relates to ticket sales in advance for events taking place after the year end.

Due more than one year	Trust and Subsidiary		Trust	
	2024	2023	2024	2023
	as restated		as restated	
	£	£	£	£
Members Loans	53,000	53,000	53,000	53,000
Bank loans	104,205	154,202	-	-
Life membership equalisation account	49,598	51,458	49,598	51,458
Other creditors and accruals	1	25,525	-	2,124
	<u>206,804</u>	<u>284,185</u>	<u>102,598</u>	<u>106,582</u>

13. LIFE MEMBERSHIP

LifeTime membership subscriptions are credited to the accounts and released over ten years.
The movements during the year were:-

	2024	2023
	£	£
	as restated	
Ordinary Life, Lifetime Travel and Premier Life Memberships brought forward	63,158	57,858
New memberships in the year	12,300	17,000
Premier life memberships released over 10 years	-	-
Life member subscriptions released over 10 years	(12,930)	(11,700)
Balance of life memberships at close of year	<u>62,528</u>	<u>63,158</u>
Shown in:-		
Creditors under 1 year	12,930	11,700
Creditors over 1 year	49,598	51,458
	<u>62,528</u>	<u>63,158</u>

Both Premier Life Membership and Ordinary Life membership have now closed to new applicants. The Life Time Travel Membership continues.

The Swanage Railway Trust
Notes to the Consolidated Accounts
For the Year Ended 31 January 2024

14. FUNDS

The balance of the unrestricted fund may be reconciled as follows:-

	Opening balance at 1 February 2023 £	Incoming Resources £	Expenditure £	Transfers £	Gains/ (losses) on revaluation £	Closing balance at 31 January 2024 £
General funds - Charity	1,501,587	721,722	(463,624)	22,620	(125,576)	1,656,729
Designated funds for;						
Restoration	69,735	8,834			-	78,569
Other capital expenditure	58,464			(25,900)	-	32,564
Other projects	68,643				-	68,643
4TC designated	18,323		(551)		-	17,772
T3 Restoration	113,649		(1,215)		-	112,434
Carriage shed	207,605				-	207,605
Strategic reserves	250,000					250,000
Governance review	15,000					15,000
Total designated	801,419	8,834	(1,766)	(25,900)	-	782,587
Restricted funds;						
Museum Group	163,291	186,653	(52,934)	3,280	-	300,290
Swanage 4TC Group	246,909	10,666			-	257,575
T3 Restoration	412,650	222,623			-	635,273
Carriage shed	72,397				-	72,397
Total restricted	895,247	419,942	(52,934)	3,280	-	1,265,535
Total Charity Funds	3,198,253	1,150,498	(518,324)	-	(125,576)	3,704,851
General funds - Company	2,696,222	2,718,541	(3,035,740)	-	-	2,379,022
Revaluation reserve	371,202	-	-	-	198,365	569,567
Total - Consolidated	6,265,677	3,869,039	(3,554,064)	-	72,789	6,653,440

The Swanage Railway Trust
Notes to the Consolidated Accounts
For the Year Ended 31 January 2024

14. FUNDS - comparative note

The balance of the unrestricted fund may be reconciled as follows:-

	Opening balance at 1 February 2022 £	Incoming Resources £	Expenditure £	Transfers £	Gains/ (losses) on revaluation £	Closing balance at 31 January 2023 £
General funds - Charity	1,528,879	431,037	(232,467)	(224,762)	(1,100)	1,501,587
Designated funds for;						
Restoration	69,650	14,081	(3,061)	(10,935)	-	69,735
Other capital expenditure	64,307	-	(26,540)	20,697	-	58,464
Other projects	68,805	-	(162)	-	-	68,643
4TC designated	18,323	-	-	-	-	18,323
T3 Restoration	118,052	-	(1,420)	(2,983)	-	113,649
Carriage shed	207,605	-	-	-	-	207,605
Strategic reserves	50,000	-	-	200,000	-	250,000
Governance review	-	-	-	15,000	-	15,000
Total designated	596,742	14,081	(31,183)	221,779	-	801,419
Restricted funds;						
Museum Group	152,227	44,882	(33,818)	-	-	163,291
Swanage 4TC Group	239,137	7,772	-	-	-	246,909
T3 Restoration	305,576	104,091	-	2,983	-	412,650
Carriage shed	76,518	-	(4,121)	-	-	72,397
Total restricted	773,458	156,745	(37,939)	2,983	-	895,247
Total Charity Funds	2,899,079	601,863	(301,589)	-	(1,100)	3,198,253
General funds - Company	3,243,467	2,808,782	(3,225,460)	-	-	2,696,222
Revaluation reserve	371,202	-	-	-	-	371,202
Total - Consolidated	6,513,748	3,410,645	(3,527,049)	-	(1,100)	6,265,677

The designated funds for purposes as described above are designated and reviewed annually by the Council of Management. Incoming resources are received into the general fund and are subsequently reallocated to the designated funds at the discretion of the directors.

The revaluation reserve is in respect of Heritage Assets and Listed Fixed Asset Investments.

Included within general funds is £16,378 of share capital representing non voting shares in Swanage Railway Company Limited which are owned by members of the company. The funds raised on issue of the shares were included in unrestricted income and are not due back to shareholders. Minority shareholders have no entitlement to profit.

Transfers have been made from restricted funds to general funds to account for grants that have been fully expended on fixed assets in line with the restriction. The original restriction is therefore released on these funds.

The purpose of each of the restricted funds is as follows:-

- Museum Group –donations towards the upkeep and development of the Museums at Norden and Corfe
- The Swanage 4TC Group – fundraising for and restoration of a 4TC unit to be based at Swanage to provide a push-pull set working with a Class 33/1 diesel electric locomotive

The Swanage Railway Trust
Notes to the Consolidated Accounts
For the Year Ended 31 January 2024

15. RECONCILIATION OF TOTAL FUNDS TO NET ASSETS

	Fixed Assets	Bank	Current Assets	Creditors <1year	Creditors >1year	Total
	£	£	£	£	£	£
General funds	4,046,702	688,987	264,177	(807,312)	(156,804)	4,035,750
Designated funds	32,957	749,630	-	-	-	782,587
Restricted funds	1,099,067	166,468	234,153	(184,153)	(50,000)	1,265,535
Revaluation	569,567	-	-	-	-	569,567
	<u>5,748,293</u>	<u>1,605,085</u>	<u>498,330</u>	<u>(991,465)</u>	<u>(206,804)</u>	<u>6,653,439</u>

15. RECONCILIATION OF TOTAL FUNDS TO NET ASSETS - comparative

	Fixed Assets	Bank	Assets	Liabilities	Total
	£	£	£	£	£
General funds	4,571,623	481,475	405,092	(1,008,903)	4,449,287
Designated funds	9,837	791,582	-	-	801,419
Restricted funds	650,452	244,795	65,969	(186,881)	774,335
Revaluation	371,202	-	-	-	371,202
	<u>5,603,114</u>	<u>1,517,852</u>	<u>471,061</u>	<u>(1,195,784)</u>	<u>6,396,243</u>

16. FINANCIAL COMMITMENTS

The group is committed to paying the following remaining lease payments on non-cancellable operating leases;

	Trust and Subsidiary		Trust	
	2024	2023	2024	2023
	£	£	£	£
Lease expiring				
-in under 1 year	299,188	296,501	-	19,506
-after 1 year but within 5 years	1,484,520	1,487,207	-	-
-after 5 years	4,782,085	5,078,587	-	-
	<u>6,565,793</u>	<u>6,862,295</u>	<u>-</u>	<u>19,506</u>

Locomotive hire agreements

a) The Swanage Railway Trust's trading subsidiary, Swanage Railway Company Limited, utilises the motive power and engineering support provided by Southern Locomotives Engineering Limited for which there is an agreement under which Swanage Railway Company Limited pays a fixed amount each year. As detailed further in this note, a number of the directors of The Swanage Railway Trust and the directors of the trading subsidiary are also shareholders in Southern Locomotives Limited, the holding company of Southern Locomotives Engineering Limited.

**The Swanage Railway Trust
Notes to the Consolidated Accounts
For the Year Ended 31 January 2024**

16. FINANCIAL COMMITMENTS - continued

The amount billed in respect of the year to the trading subsidiary by Southern Locomotives Hire Limited was £156,000 (2023 - £151,550). At the year end, an amount of £12,000 (2023: £12,000) was owed to Southern Locomotives Hire Limited.

b) The Swanage Railway Trust's trading subsidiary, Swanage Railway Company Limited, utilised the locomotive power provided by JMB Locomotive Services. The amount invoiced by JMB Locomotive Services to the trading subsidiary for the supply of motive power in respect of the year was £168,480 (2023: £154,440). A total of £28,080 was the outstanding balance at the year end (2023: £28,080).

17. PROVISIONS FOR DEFERRED TAXATION

The Swanage Railway Company, the subsidiary of The Swanage Railway Trust produced a net loss before taxation of £215,830 for the year ending 31 January 2024.

A deferred tax liability of £22,238 has been calculated as a result of timing differences and has been accounted for as a liability in the Company's entity level accounts. This year the deferred tax liability has reduced by £12,033. This is due to the tax losses incurred in the period having an affect on the deferred liability calculation. The calculation has been disclosed in the Company's accounts for the year ended 31 January 2024, a copy of the Swanage Railway Company Limited's financial statements are publicly available from Companies House.

18. RELATED PARTY TRANSACTIONS

Swanage Railway Company Limited is a 96% owned subsidiary of Swanage Railway Trust.

The total amount outstanding on loans made to the company by Swanage Railway Trust at 31 January 2024 was £455,719 (2023: £135,719).

Interest is charged on the above loans at 1.5% above the Bank of England base rate. Interest charged in the year to 31 January 2024 was £20,722 (2023: £nil).

Four trustees/directors have a shareholding in the parent of a Locomotives group which Swanage Railway group use as a supplier. For the year ended 31 January 2024, Swanage Railway Group (though the subsidiary company) had transactions totalling £156,000 (2023: £151,550). There was £12,000 outstanding at the year end (2023: £12,000).

Trustees donated amounts totalling £700 (2023: £300) of which £400 was donated towards the T3 appeal. The remaining donations were without conditions.

THE SWANAGE RAILWAY TRUST

England & Wales - Charity number 1087318

Accounts

REGISTERED COMPANY NUMBER: 04115126 (England and Wales)

REGISTERED CHARITY NUMBER: 1087318

The Swanage Railway Trust

(A Company Limited by Guarantee)

Amending Consolidated Accounts

For the year ended 31 January 2023



The Swanage Railway Trust
For the Year Ended 31 January 2023

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The Swanage Railway Trust
Charity information

COMPANY REGISTRATION NO: 4115126

CHARITY NO: 1087318

REGISTERED OFFICE: Station House
Swanage
Dorset, BH19 1HB

DIRECTORS AND TRUSTEES
(Collectively known as the
Council of Management)

G C Johns (Chairman)
R Coldham (Deputy Chairman) (Resigned October 2022)
A L Moore (Resigned December 2022)
E M Sellen
N S C Coram (Resigned October 2022)
P N Sills
T J Parsons
W S Trite (Resigned October 2022)
M A Whitwam
G W Carter (Resigned October 2022)
W Sheret
R Patterson (Appointed April 2022)
F Roberts (Appointed October 2022)
B Ford (Appointed October 2022)
C Collins (Appointed October 2022)
M Gould (Appointed Nov 2022) (Resigned January 2023)

PROFESSIONAL ADVISERS

BANKERS

Barclays Bank Plc
Barclays House
Wimborne Road
Poole
Dorset BH15 2BB

AUDITORS

Ward Goodman Audit Services Limited
4 Cedar Park, Cobham Road
Ferndown Industrial Estate
Wimborne
BH21 7SF

**The Swanage Railway Trust
Chairman's Strategic Report
For the Year Ended 31 January 2023**

We anticipated after the impact of the pandemic between 2020 and 2022 that trading in 2022/23 would enjoy a bounce back to pre Covid levels enabling us to focus on some key matters that had been put on hold while we addressed the impact of the pandemic. Regrettably due to factors outside our control the year under review, and represented by these accounts, turned out to be as challenging as any of the preceding years.

The war in the Ukraine and inflation badly affected our business. The rapid escalation of the war caused immediate increases in coal prices as supplies reduced. The impact being a doubling in price per ton up to £405 per ton over the course of a few months. Similarly the impact of the war on energy production costs and other factors caused considerable inflationary pressures on our own costs. Linked to this projected significant price rises especially for home utilities affected our customers confidence and discretionary spend that led to a significant reduction in numbers using the Railway - down 25% in comparison with 2019. Events during the year, 'Roads to Rail' and the return of Flying Scotsman, provided welcome boosts to our visitor numbers and finances and made significant contributions towards reducing the trading deficit. In the second half of the year there was considerable focus on reducing costs and a voluntary redundancy programme held to remove any non-business critical posts in much the same way as the earlier programme conducted during 2020.

The result of our own income reducing and our costs increasing explains the results posted by the Swanage Railway Company in these accounts. It is not a good place to be particularly as forecasting with certainty is difficult at present and will require considerable commitment and confidence to turn this position around without a long term negative impact on the Railway.

These challenges have been felt across the whole heritage railway sector and are causing railways to reevaluate their offer in a bid to maintain relevance and financial stability.

It has been noted before in these reports that the Swanage Railway's business model needs changing to produce a surplus for re-investment. Indeed that need was re-stated last year but meaningful progress slowed whilst the need to manage the business through these challenging trading times became our focus.

The Trust has again supported the Company with a winter seasonal loan of £500,000 to enable activities to continue. This loan will be repaid, as has been the practise in recent years, with interest over the course of the summer. It is a necessary and vital means of support to cover lean trading over the winter period.

We continue to enjoy the support of a many volunteers and members of paid staff who gave the Railway incredible support over the year enabling it to operate safely and to provide an attractive experience for our customers. The Trustees remain very grateful to each and every one of you for your commitment and support.

**The Swanage Railway Trust
Chairman's Strategic Report
For the Year Ended 31 January 2023**

Looking forward the trading experience in 2022/23 caused a more cautious approach to be taken for this year. The Company factored in to its plans further cost reductions including postponing non-critical projects in order to target a positive outcome. Considerable focus is being given to additional special events including the return to steam of our own locomotive T3 563 and the re-introduction of the trial diesel service to Wareham. Attention to the condition of rolling stock has been prioritised and other plans in hand to improve the quality of our customers experience. Elsewhere across the Railway maintenance and repair continues where essential to ensure that we can operate safely. More work is required to improve our catering offer and support to the shop to continue to grow their contribution to our customers experience and our income. There are further opportunities to pursue when resources allow. Both Museums, at Corfe Castle and Norden, are gradually becoming attractions in their own right adding variety and interest for customer as well as providing further volunteering opportunities.

We still need to pick up the challenge of moving to a sustainable basis and we hope that we will make progress with this during the year. Budgets and Business plans now contain this as the overall objective. A new strategic plan will be prepared, after consultation, that further cements sustainability into our thinking.

The Trustees recently, having reviewed the situation, are recommending to Members the implementation of a single larger charitable Railway Company with the existing Trust solely focused on receiving and passing on legacies. The new Board will consist of skilled and experienced Directors voted for by the Members.

We are making progress with preparing for the Carriage Shed construction at Herston and construction is anticipated, funds permitting, starting in January 2024 with completion by Easter.

The unpredictable position at present means that to a degree we should be prudent, maintaining our activities and focusing on remaining viable until better conditions return. That does not stop us though from planning to meet our needs for better facilities and we will continue to do that and attempt to secure grant aid support for change to happen as soon as practicable.

Finally, the Trustees would like to express their thanks to Andrew Moore who decided to step down as a Trustee and from his role as Honorary Treasurer to the Trust and Finance Director of the Swanage Railway Company. He performed these roles successfully for us over many years and we are grateful to him for the commitment he gave the Railway over time.

Thank you again for your ongoing support.

Gavin Johns
Chairman, SRT

**The Swanage Railway Trust
Directors Report
For the Year Ended 31 January 2023**

The directors are pleased to present their report together with the consolidated financial statements of the charity and its subsidiary company for the year ended 31 January 2023.

STRUCTURE, GOVERNANCE AND MANAGEMENT

CONSTITUTION

The Swanage Railway Trust is a company limited by guarantee and a registered charity governed by its Memorandum and Articles of Association. Its Charity Number is 1087318 and its Company Number is 4115126.

The legal and administrative information set out on page 3 forms part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association, and the Statement of Recommended Practice – Accounting and Reporting by Charities (SORP FRS 102).

MANAGEMENT

The Swanage Railway Trust has a single management body, the Board of Directors (also known as the Council of Management), elected by the members for a two year period. Fifty percent of the directors are required to retire by rotation each year at the Trust's Annual General Meetings.

The Council of Management delegate day to day responsibilities of managing the Railway to The Swanage Railway Company's Senior Management Team, overseen by the Board. The Directors consider the following people to be part of Key Management.

Directors;

Andrew Moore (Director) Resigned December 2022
Kevin Potts (Director)
Elizabeth Sellen (Director)
Marcus Aldrick (Director) (Appointed June 2022)
Gavin Johns (Director)
Keith Usher (Director)
Nathan Au (Director)
Trevor Parsons (Director)
Robert Patterson (Director) (Appointed April 2022)
Randy Coldham (Director) (Appointed April 2022 and Resigned October 2022)

Senior Managers;

Lorna Lock (Finance and Personnel Manager)
James Cox (Locomotive Carriage & Wagon Manager)
Ashley Haines (Operations Manager)
Martin Trott (Passenger Services Manager)
Barry Light (Permanent Way Manager)(Resigned May 2022)
Graham Froud (Steam Locomotive Superintendent)
Andrew Haddon (Safety and Compliance Manager)

**The Swanage Railway Trust
Directors Report
For the Year Ended 31 January 2023**

Key Management Personnel are employed by the Swanage Railway Company and are remunerated in accordance with the pay structures established by its Directors who act with the authority delegated by the Council of Management.

DIRECTORS MEETINGS

The Council of Management meets 8 times a year.

DIRECTOR INDUCTION AND TRAINING

The directors of the charitable company are the trustees for the purpose of charity law and throughout this report are referred to as the directors.

The Directors of the Trust are elected by the membership of the Trust or, in the case of the Secretary and Treasurer, can be appointed ex-officio in order to ensure that the Board has suitably experienced persons in these positions. All Directors of the Trust are members of the Trust and as such are familiar with the overall goals of the Trust. A formal review of the Trust policies is held annually at the meeting following elections to ensure that these remain appropriate and that the new Directors are familiar with them.

The Swanage Railway Trust provides a briefing pack to members considering standing for election to the Council of Management. This pack includes, inter-alia, a copy of the Trust's Articles of Association, a copy of the Trust's formal policies and a copy of CC3 – The Charity Commission's guide for new Trust Directors. Successful candidates are asked to confirm receipt of these in writing and that they understand the information contained therein. Any changes to the guidance issued by the Charity Commission will be considered by the appropriate director, and where necessary, discussed at a meeting of the Council of Management.

OBJECTIVES AND ACTIVITIES

The objectives of the Swanage Railway Trust, as set down in its Memorandum of Association, is to study, compile records on and acquire, restore, preserve and maintain railway lines, locomotives, rolling stock and other items of railway interest, and to provide training and instruction in such activities and in particular but without prejudice to the generality of the foregoing those associated with the Isle of Purbeck, the former London and South Western Railway, other Railways which were in existence in Southern England during and before the year of nineteen hundred and twenty-three, the Southern Railway, and the Southern Region of British Railways, and to enter in such agreements and to take all such steps as may be necessary for these purposes, and to organise, sponsor and support displays and such other shows and events for the provision and stimulation of information, education and interest in such vehicles and other items of railway interest.

The SRC Board use annual passenger numbers on the railway to measure the performance of the Group.

A review of business describing how objectives and activities have been achieved in the current year has been included in the Chairman's Strategic Report which starts on page 4.

**The Swanage Railway Trust
Directors Report
For the Year Ended 31 January 2023**

PUBLIC BENEFIT

The directors have given due regards to the requirement of the Charity Commission with respect to public benefit.

RISK MANAGEMENT

The directors have considered the major risks that the Swanage Railway Trust and its trading subsidiary face when developing strategies and strategic plans for the future. The major risks are lack of funding to prevent the Trust from achieving its objectives and operational issues for the trading subsidiary which will be enhanced in the future with operations to and from the main line. These risks may cause a delay in the Trust achieving its objectives or curtail the operations of the trading subsidiary. Where appropriate, directors obtain the assistance of experts in the various areas that are a risk to the Trust or its trading subsidiary.

RELATED PARTIES

The charity acknowledges a relationship with:-

The Swanage Railway Company Limited
Southern Locomotives Hire Ltd
Southern Locomotives Engineering Limited
71A Locomotive Ltd
Class 33/1 Preservation Co. Ltd
JMB Locomotive Services
Drummond Locos Ltd

The Swanage Railway Trust holds a controlling interest in the Swanage Railway Company Limited, which assists the Trust in meeting its objectives by operating the Swanage Railway and undertaking the associated trading activities. Whilst the company has a paid staff it is still heavily dependent on the supply of volunteers by the Trust for the operation of its train services and the maintenance and development of the railway.

A number of the directors of the Swanage Railway Trust are also directors of the Swanage Railway Company Limited. It is current Trust policy that the majority of voting Directors of the Swanage Railway Company are also Directors of the Swanage Railway Trust.

VOLUNTEERS

The charity is heavily dependent on the volunteers who perform many different tasks to assist with the management, administration, maintenance and operation of the railway.

FUNDRAISING STANDARDS INFORMATION

The charity does not use professional fundraisers or direct mail. Members receive regular communication through the magazine and appeal information is on the charity's website. The trustees are satisfied that there is no undue pressure on members of the public to donate to The Swanage Railway Trust.

**The Swanage Railway Trust
Directors Report
For the Year Ended 31 January 2023**

FINANCIAL REVIEW

The level of consolidated income has decreased largely because of the reduction of capital grants from outside organisations which were made to the trading subsidiary as those projects near completion although this is matched by a decrease in capital and revenue expenditure. Legacy income in the Trust was also substantially greater this year. The Trust has continued to make grants to the Swanage Railway Company Limited for the restoration and construction of railway buildings, track maintenance, locomotives and rolling stock which are part of the objectives of the Trust.

Consolidated funds total £6,396,243 at 31 January 2023 (2022 - £6,513,748). There is a requirement for a high level of reserves given the substantial investment by the Trust and its subsidiary in fixed assets.

RESERVES POLICY

The Group has a requirement for a high level of reserves due to its large investment in fixed assets and its trading subsidiary and for setting aside resources for future projects.

Where funds have been raised for specific projects, the Group maintains separate funds either as designated or restricted funds – see notes 14 and 15.

The available reserves of the Group are as follows:

Total consolidated funds at 31 January 2023	6,396,243
Less:-	
- Tangible Fixed assets	5,599,628
- Fixed asset investments	3,486
- Restricted funds held in bank balances	244,795
- Designated funds	801,419
	(253,085)

Free reserves are calculated by deducting fixed assets from the unrestricted (and undesignated) reserves held at the year-end. The trustees are able to undesignate reserves if required.

Funds in relation to fixed assets would only be released on the sale of those assets.

The Group will continue to invest in fixed assets and locomotive overhaul in 2023/24.

Up to December 2022 the Directors review the finances of the Trust and its Subsidiary each month at the Council of Management meetings.

The Finance Advisory Group, consisting of SRC Directors, SRT Trustees and other members, is in place and meet on a regular basis throughout the year to advise the Board and Trustees on financial matters.

**The Swanage Railway Trust
Directors Report
For the Year Ended 31 January 2023**

FUTURE PLANS

The Group intends to use its strategic objectives to utilise its resources and to develop its museum facilities and collections and to restore further items of equipment appropriate to its need for use on the Swanage Railway.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the consolidated financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the directors 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 the group and of the incoming resources and application of resources, including income and expenditure of the charitable company and the group for that period. In preparing these financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgments and estimates that are reasonable and prudent;
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charitable group will continue in business.

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.

**The Swanage Railway Trust
Directors Report
For the Year Ended 31 January 2023**

In so far as the directors are aware:

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

The auditors, Ward Goodman, have expressed their willingness to accept their proposed re-appointment at the forthcoming Annual General Meeting.

Approved by Order of the Directors



Gavin Johns
Chairman, SRT

Date 22 August 2023

**Report of the Independent Auditors of
The Swanage Railway Trust
For the Year Ended 31 January 2023**

Opinion

We have audited the consolidated financial statements of The Swanage Railway Trust (the parent company and its trading subsidiary, together 'the group') for the year ended 31 January 2023 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets and the consolidated statement of cashflows and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 January 2023 and of the group's and parent charitable company's incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the group and the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the director's' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Report of the Independent Auditors of
The Swanage Railway Trust
For the Year Ended 31 January 2023**

Other information

The trustees and directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Statement of Director's Responsibilities set out on page eleven, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

**Report of the Independent Auditors of
The Swanage Railway Trust
For the Year Ended 31 January 2023**

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities including fraud. The extent to which are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks applicable to the Group and the sector in which they operate. We determined that the following laws and regulations were most significant: the Companies Act 2006, the UK Corporate Governance Code, UK corporate taxation laws and UK government Covid-19 support schemes.
- We obtained an understanding of how the Group are complying with those legal and regulatory frameworks by making inquiries to the management. We corroborated our enquiries through our review of board minutes and papers provided to the Committee of Management.
- We assessed the susceptibility Group's financial statements to material misstatement, including how fraud might occur.

Audit procedures performed by the engagement team included:

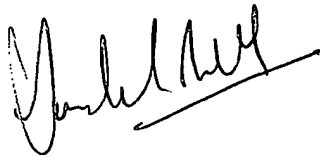
- 1) Identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
- 2) Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
- 3) Challenging assumptions and judgments made by management in its significant accounting estimates;
- 4) Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations; and
- 5) Assessing the extent of compliance with the relevant law and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

**Report of the Independent Auditors of
The Swanage Railway Trust
For the Year Ended 31 January 2023**

Use of our report

This report is made solely to the group and charitable company. Our audit work has been undertaken so that we might state to the group and charitable company those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the group and charitable company as a body, for our audit work, for this report, or for the opinions we have formed.



Ian M Rodd BSc FCA FCCA (Senior Statutory Auditor)
For and on behalf of Ward Goodman Audit Services Limited
Statutory Auditor
4 Cedar Park
Cobham Road
Ferndown Industrial Estate
Wimborne
Dorset
BH21 7SF

Date: 23/8/2023

The Swanage Railway Trust
Consolidated Statement of Financial Activities
For the Year Ended 31 January 2023
(Incorporating the Consolidated Income and Expenditure Account)

	Notes	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Total 2022 £
Incoming Resources					
Voluntary Income:					
Appeals, donations, legacies and covenants		281,939	154,715	436,654	411,617
Grant income		-	1,929	1,929	493,467
Activities for generating funds:					
Membership subscriptions		42,927	-	42,927	39,263
Fund raising and other income		21,306	-	21,306	24,501
Trading income		2,905,971	-	2,905,971	2,350,587
Investment income		1,756	101	1,857	75
Government grants		-	-	-	58,252
Total Incoming Resources		3,253,899	156,745	3,410,644	3,377,762
Resources Expended					
Cost of generating funds					
Trading expenses		3,406,945	-	3,406,945	2,543,271
Fundraising costs		5,720	-	5,720	8,952
Charitable activities		184,577	37,939	222,516	176,769
Total Resources Expended	5	3,597,242	37,939	3,635,181	2,728,992
Net Incoming Resources		(343,343)	118,806	(224,537)	648,770
Provision for deferred taxation		108,132	-	108,132	(142,403)
Revaluation adjustment		(1,100)	-	(1,100)	1,046
Transfers between funds		(2,983)	2,983	-	-
Net movement in funds		(239,294)	121,789	(117,505)	507,413
Funds at 1 February 2022		5,740,290	773,458	6,513,748	6,006,335
Funds at 31 January 2023	14,15	5,500,996	895,247	6,396,243	6,513,748

The Swanage Railway Trust
Consolidated Balance Sheet
As at 31 January 2023

		2023	2022
		s	£
Fixed Assets	Notes		
Tangible Fixed Assets	7	5,599,628	5,437,437
Fixed asset investments - listed	9	3,486	4,586
Total fixed assets		<u>5,603,114</u>	<u>5,442,023</u>
Current Assets			
Stocks	10	84,055	73,237
Debtors and prepayments	11	387,006	102,783
Cash at bank and in hand		1,517,852	1,902,491
		<u>1,988,913</u>	<u>2,078,511</u>
Creditors: Amounts falling due within one year			
Creditors and accruals	12	<u>(877,327)</u>	<u>(529,674)</u>
Net Current Assets		1,111,586	1,548,837
Total assets less current liabilities		<u>6,714,700</u>	<u>6,990,860</u>
Creditors: Amounts falling due after more than one year	12	(284,185)	(334,709)
PROVISIONS FOR LIABILITIES		(34,272)	(142,403)
Net Assets		<u>6,396,243</u>	<u>6,513,748</u>
Unrestricted Funds;			
General funds		4,328,375	4,772,346
Designated funds		801,419	596,742
Revaluation funds		371,202	371,202
	14	<u>5,500,996</u>	<u>5,740,290</u>
Restricted funds	14	895,247	773,458
Total funds	15	<u>6,396,243</u>	<u>6,513,748</u>

REGISTERED COMPANY NUMBER: 04115126 (England and Wales)

REGISTERED CHARITY NUMBER: 1087318

These financial statements were approved by the Directors and authorised for issue on 22 August 2023, and are signed on their behalf by:


T Parsons - Director


G C Johns - Director

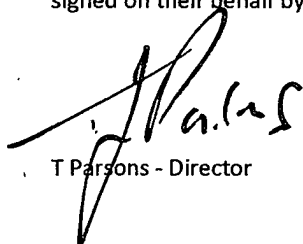
The Swanage Railway Trust
Balance Sheet
As at 31 January 2023

	Notes	2023 £	2022 £
Fixed Assets			
Tangible Fixed Assets	7	1,340,541	1,132,853
Fixed asset investments - listed	9	3,486	4,586
Investment in subsidiaries	8	470,605	470,605
Total fixed assets		1,814,632	1,608,044
Current Assets			
Stocks	10	-	-
Debtors and prepayments	11	444,962	172,622
Cash at bank and in hand		1,394,782	1,385,602
		1,839,744	1,558,224
Creditors: Amounts falling due within one year			
Creditors and accruals	12	(349,541)	(214,113)
Net Current Assets		1,490,203	1,344,111
Total assets less current liabilities		3,304,835	2,952,155
Creditors: Amounts falling due after more than one year	12	(106,582)	(53,076)
Net Assets		3,198,253	2,899,079
Unrestricted Funds;			
General funds		1,501,587	1,528,879
Designated funds		801,419	596,742
Revaluation funds		-	-
	14	2,303,006	2,125,621
Restricted funds	14	895,247	773,458
Total funds	14	3,198,253	2,899,079

REGISTERED COMPANY NUMBER: 04115126 (England and Wales)

REGISTERED CHARITY NUMBER: 1087318

These financial statements were approved by the Directors and authorised for issue on 22 August 2023, and are signed on their behalf by:


T Parsons - Director


G C Johns - Director

**The Swanage Railway Trust
Consolidated Cashflow Statement
For the Year Ended 31 January 2023**

	Note	2023 £	2022 £
Net cash flows from operating activities	1	18,838	1,055,428
Cash flows from investing activities			
Purchase of equipment		(389,636)	(225,474)
Interest received		1,857	75
Proceeds from sale of fixed assets		29,000	3,835
(Gains)/Losses on revaluation of investments		1,100	(1,046)
Net cash flows from investing activities		(357,679)	(222,610)
Cash flows from financing activities			
Capital repayment of Hire Purchase leases		-	-
New loans in the year		-	100,000
Interest paid		-	(6,000)
Loans repaid		(45,798)	-
Net cash flows from financing activities		(45,798)	94,000
Net increase/(decrease) in cash and cash equivalents		(384,639)	926,818
Cash and cash equivalents at the beginning of the year		1,902,491	975,673
Cash and cash equivalents at the end of the year		1,517,852	1,902,491
Reconciliation to cash at bank and in hand:			
Cash at bank and in hand		1,517,852	1,902,491
Bank overdrafts		-	-
Cash and cash equivalents		1,517,852	1,902,491

The Swanage Railway Trust
Notes to the Consolidated Cashflow Statement
For the Year Ended 31 January 2023

1 Cash flows from operating activities

	2023	2022
	£	£
Net Surplus/(Deficit)	(224,537)	648,770
Adjustment for;		
Depreciation charges	186,333	167,916
Reclassification of tangible fixed assets	-	45,997
Gains/(Losses) on revaluation of investments	(1,100)	1,046
Investment income	(1,857)	(75)
Interest paid	8,624	6,000
Impairment losses	-	-
(Gain)/loss on disposal of fixed assets	12,110	172
Cash flows before movement in working capital	<u>(20,427)</u>	<u>869,826</u>
(Increase) / Decrease in stock	(10,818)	18,067
(Increase) / Decrease in debtors	(284,223)	143,124
Increase / (Decrease) in creditors	334,306	24,411
Cash generated by operations	<u><u>18,838</u></u>	<u><u>1,055,428</u></u>

2 Analysis of changes in net debt

	At 1 Feb 2022 £	Cash flows £	At 31 Jan 2023 £
Cash and cash equivalents			
Cash at bank and in hand	1,902,491	(384,639)	1,517,852
Debt			
Falling due within one year	(59,167)	9,167	(50,000)
Falling due after one year	(198,833)	(8,369)	(207,202)
	<u><u>1,644,491</u></u>	<u><u>(383,841)</u></u>	<u><u>1,260,650</u></u>

The Swanage Railway Trust
Notes to the Consolidated Accounts
For the Year Ended 31 January 2023

1. ACCOUNTING POLICIES

1.0 Legal form

The Swanage Railway Trust Limited, a public benefit company under FRS 102, is incorporated as a Company limited by guarantee, registered in England and Wales (company number 4115126). The registered office address is on page 3 of these accounts. The company is also a registered charity in England (charity number 1087318).

The Swanage Railway Company Limited is incorporated as a Company limited by shares, registered in England and Wales (company number 01412568). The registered office address is on page 3 of these accounts.

1.1 Basis of preparation

The Financial statements have been prepared under the historical cost convention as modified by the revaluation of the locomotives and rolling stock and are in accordance with Financial Reporting Standard 102, the Companies Act 2006 and the Charities Accounting Statement of Recommended Practice (SORP FRS 102).

1.2 Basis of Consolidation

The consolidated accounts present the financial statements of The Swanage Railway Trust and its subsidiary the Swanage Railway Company Limited as if they formed a single entity. Intercompany transactions and balances have therefore been eliminated in full. The Group has taken advantage of section 408 of the Companies Act 2006 by not providing a separate statement of financial activities for the subsidiary.

1.3 Incoming Resources

Membership income:

Annual subscriptions from members are included in full in the year they are received. Life membership subscriptions are credited to the life membership account and from there to income in equal annual instalments over ten years.

Voluntary income and donations:

All voluntary income and donations are accounted for gross when received. Due to the nature of donations and *fund raising income the directors have no control over this until received and entered into the records.*

Trading income:

Income from the subsidiary trading company is included in the period in which it is generated.

Legacy income:

Legacy income is recognised at the earlier of the charity being notified or the legacy being received.

Government Grants:

Government grants shall be recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate.

1.4 Resources Expended

All resources expended are classified under activity headings that aggregate all costs related to the category.

- Cost of generating funds comprises the costs of fundraising and trading activities.
- Charitable activities include the costs incurred directly in the fulfillment of the Charity's objectives.
- Governance costs represent those costs of the strategic management of the charity and of complying with constitutional and statutory requirements.

The Swanage Railway Trust
Notes to the Consolidated Accounts
For the Year Ended 31 January 2023

1. ACCOUNTING POLICIES - continued

1.4 Resources Expended (continued)

Liabilities are recognised as resources expended once there is a legal or constructive obligation to make a payment to a third party.

All expenditure is included in the Statement of Financial Activities on an accruals basis net of recoverable VAT.

1.5 Operating Leases

Rentals payable under operating leases are charged to the Statement of Financial Activities as incurred over the term of the lease.

1.6 Tangible Fixed Assets

Fixed assets are included at cost or valuation. Expenditure on repairs and renewals and minor items of equipment is written off in the year in which it is incurred.

Freehold land is not depreciated.

1.7 Heritage Assets

Part of the Objectives of the Trust is to acquire, restore, preserve and manage heritage locomotives and rolling stock. These assets are included in the accounts of the Trust at valuation and are not subject to an annual depreciation charge, as in the opinion of the directors the nature of the assets concerned and the level of maintenance is such that there is no significant annual depreciation. Any permanent diminution in the value of such assets is charged to the Consolidated Statement of Financial Activities when recognised in accordance with FRS 102.

Detailed information on the locomotives and rolling stock of the Trust and its subsidiary company can be found at www.swanagerailway.co.uk.

1.8 Infrastructure, plant and equipment

Infrastructure, plant and equipment is stated in the balance sheet at cost less accumulated depreciation.

Depreciation is calculated to write off the cost of the assets concerned on either a straight line basis or a reducing balance basis over their estimated useful lives at the following rates:-

Plant and machinery;

Fixtures and fittings, plant and equipment – 20% Reducing balance

Computer equipment – 25% Straight line

Motor vehicles – 10% Straight line

Rolling stock – Not depreciated

Furniture – 20% Straight line

Fixtures and equipment – 20% Straight line

Permanent way – 2% Straight line

Buildings and railway structures – 4% Straight line

The Swanage Railway Trust
Notes to the Consolidated Accounts
For the Year Ended 31 January 2023

1. ACCOUNTING POLICIES - continued

1.9 Impairment of Fixed assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in the Statement of financial activities as described below.

An Asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, that estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

1.10 Stocks

Stocks are valued at the lower of cost or net realisable value.

1.11 Investments

All investments in locomotive preservation groups are stated at cost.

Investment in the Trust's subsidiary company the Swanage Railway Company Limited is stated at cost.

Investments in listed entities are measured at market value at the year end. The listed investments were gifted to the Trust as part of a legacy in previous years and are held to earn investment income. The Trust has no plans or policies in place for further investment in listed entities.

1.12 Fund accounting

Unrestricted funds are available to use to further any of the purposes of the charity, at the discretion of the trustees.

Designated funds are unrestricted funds of the charity which have been set aside by the trustees to fund particular activities of the charity.

Restricted funds are donated for particular areas of the charity work or specific projects undertaken. Restrictions arise when specified by the donor, by the trust deed or when funds are raised for particular restricted purposes.

1.13 Financial instruments

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

Basic financial assets;

Basic financial assets, which include trade and other receivables 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 future receipts discounted at a market rate of interest.

Basic financial liabilities;

Basic financial liabilities, including trade and other payables, bank loans, and loans from group companies are initially recognised at transaction price. Financial liabilities due in more than one year are initially measured at transaction price and subsequently measured at amortised cost using the effective interest method.

The Swanage Railway Trust
Notes to the Consolidated Accounts
For the Year Ended 31 January 2023

1. ACCOUNTING POLICIES - continued

1.13 Financial instruments (continued)

Financial liabilities constituting financing transactions are initially measured at the present value of the future payments discounted at a market rate of interest.

Derecognition of financial assets and liabilities;

Financial assets and liabilities are derecognised when the Group's contractual rights or obligations expire or are discharged, transferred or cancelled.

1.14 Significant judgement and estimates

In the application of the group's accounting policies, which are described above, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

These estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are areas that are considered to be key sources of estimation uncertainty, there are no significant judgements to note.

Useful life and residual values of tangible fixed assets;

The economic useful life of tangible fixed assets and the expected residual value on future disposal is estimated by the Directors based on their knowledge and experience. The total carrying value of fixed assets at 31 January 2023 was £5,599,629.

1.15 Finance Leases

Finance leases are measured at the present value of future lease payments and interest is accrued using the sum of digits method.

1.16 Taxation

The Trust is a registered charity and as such is entitled to certain tax exemptions on surpluses on any trading activities carried on in furtherance of the charity's primary objectives.

Deferred Taxation - Subsidiary only:

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

The Swanage Railway Trust
Notes to the Consolidated Accounts
For the Year Ended 31 January 2023

2. Incoming resources	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total 2023 £	Total 2022 £
Voluntary income (Trust)				
Donations, legacies and covenants	65,776	107,190	172,966	236,501
Gift aid	15,274	6,141	21,415	37,650
Legacies	222,274	20,000	242,274	137,066
Grant income	-	1,929	1,929	23,505
Membership subscriptions	42,927	-	42,927	39,263
Fundraising and other income	21,306	-	21,306	24,501
Investment income	1,756	101	1,857	75
Total voluntary income from Trust	369,313	135,361	504,674	498,561
Activities for generating funds (Subsidiary Company)				
Heritage passenger fare income	2,338,563	-	2,338,563	1,991,913
Wareham fare income	-	-	-	-
Shop income	163,915	-	163,915	115,647
Catering income	123,053	-	123,053	51,810
Driver experience days	-	-	-	-
Other income	280,439	-	280,439	191,217
Insurance claims	-	-	-	-
Revenue grants	(12,251)	-	(12,251)	470,362
Government grants	-	-	-	58,252
Total income from activities in subsidiary company	2,893,719	-	2,893,719	2,879,201
Total consolidated incoming resources	3,263,032	135,361	3,398,393	3,377,762

The Swanage Railway Trust
Notes to the Consolidated Accounts
For the Year Ended 31 January 2023

3. Subsidiary results

The Trust discharges its charitable objectives through its subsidiary the Swanage Railway Company Limited, a company incorporated in the UK. A summary of the trading results including intergroup trading is set out below. Audited accounts are filed with Companies House.

	2023	2022
	£	£
Turnover	2,981,420	3,032,881
Cost of sales	(1,438,024)	(789,069)
Gross profit	1,543,396	2,243,812
Administrative expenses	(1,927,913)	(1,689,843)
Operating profit	(384,517)	553,969
Government grants	-	58,252
Interest payable	(8,624)	(12,534)
Interest receivable	186	23
Other income	-	-
Net profit/ (loss) on ordinary activities	(392,955)	599,710
Less: Deferred taxation	108,132	(142,403)
Retained profit/(loss) for the year	(284,823)	457,307
Net assets	1,196,678	1,589,633

The Swanage Railway Trust
Notes to the Consolidated Accounts
For the Year Ended 31 January 2023

4 Comparative Consolidated Statement of Financial Activities

	Notes	Unrestricted 2022 £	Restricted 2022 £	Total 2022 £	Total 2021 £
Incoming Resources					
Voluntary Income:					
Appeals, donations, legacies and covenants		214,156	197,461	411,617	747,283
Grant income		469,962	23,505	493,467	5,400
Activities for generating funds:					
Membership subscriptions		39,263	-	39,263	38,414
Fund raising and other income		24,501	-	24,501	24,297
Trading income		2,350,587	-	2,350,587	996,060
Investment income		69	6	75	1,043
Government grants		58,252	-	58,252	295,668
Total Incoming Resources	2	3,156,790	220,972	3,377,762	2,108,165
Resources Expended					
Cost of generating funds					
Trading expenses		2,543,271	-	2,543,271	3,091,890
Fundraising costs		8,952	-	8,952	24,116
Charitable activities		155,731	21,038	176,769	197,383
Total Resources Expended	5	2,707,954	21,038	2,728,992	3,313,389
Net Incoming Resources		448,836	199,934	648,770	(1,205,224)
Provision for deferred taxation		(142,403)	-	(142,403)	-
Revaluation adjustment		1,046	-	1,046	(2,879)
Transfers between funds		-	-	-	-
Net movement in funds		307,479	199,934	507,413	(1,208,103)
Funds at 1 February 2021		5,432,811	573,524	6,006,335	7,214,438
Funds at 31 January 2022	14,15	5,740,290	773,458	6,513,748	6,006,335

The Swanage Railway Trust
Notes to the Consolidated Accounts
For the Year Ended 31 January 2023

5. Total Resources Expended

	Premises & railway running costs £	Admin, salaries and other £	Dep'n £	Total 2023 £	Total 2022 £
Charitable Activities:					
Rent	102,864	-	-	102,864	77,951
Rates & utilities	15,920	-	-	15,920	12,079
Printing & stationery	-	28,673	-	28,673	33,878
Repairs & other	18,234	36,793	6,834	61,861	44,567
Auditors remuneration (audit)	-	5,748	-	5,748	3,948
Auditors remuneration (non audit)	-	6,477	-	6,477	4,206
Other legal and professional	-	973	-	973	140
Total charitable activities	137,018	78,664	6,834	222,516	176,769
Costs of generating funds:					
Fundraising costs	-	5,720	-	5,720	8,952
Trading costs (subsidiary only)	1,904,687	1,327,934	174,324	3,406,945	2,543,271
Total cost of generating funds	1,904,687	1,333,654	174,324	3,412,665	2,552,223
Total resources expended	2,041,705	1,412,318	181,158	3,635,181	2,728,992

Included under trading costs, above, are £9,275 (2022: £7,590) of fees paid to the auditor of the subsidiary's financial statements of which £6,860 (2022: £5,160) were for audit services.

6. Staff costs

	Trust and Subsidiary	
	2023 £	2022 £
Wages and salaries	982,602	799,454
Social security costs	83,964	64,520
Pension costs	16,243	14,497
	1,082,809	878,471

The Swanage Railway Company Limited had 39 (2022: 37) employees at the year end, excluding directors. All staff members are employed by Swanage Railway Company Limited.

None of the directors of The Swanage Railway Trust or Company received any remuneration for their services. Expenses were reimbursed to the directors during the year for out of pocket expenses incurred in accordance with their duties as directors. During the year ended 31 January 2023, two trustees were reimbursed amounts totalling £nil (2022: £30) for travel expenses.

Key Management Personnel salaries for the year to 31 January 2023 was £247,908 (2022: £224,006).

The Swanage Railway Trust and the Swanage Railway Company Limited are both heavily reliant on volunteer staff in all areas of their activities.

There were no employees with emoluments above £60,000 in the Swanage Railway Company or Swanage Railway Trust.

The Swanage Railway Trust
Notes to the Consolidated Accounts
For the Year Ended 31 January 2023

7. Tangible fixed assets

	Subsidiary						Total Company	Trust						Total Trust	Total
	Land and Buildings	Heritage Assets	Machinery and Equipment	Shop Fittings and Equipment	Permanent Way and Other Assets	Assets Under Construction		Freehold Land	Land and Buildings	Heritage Assets	Machinery and Equipment	Assets Under Construction			
Cost	£	£	£	£	£	£		£	£	£	£	£	£	£	
At 1 Feb 2022	911,387	1,031,634	1,100,912	3,387	1,905,827	916,314	5,869,461	30,000	144,465	987,047	33,898	3,885	1,199,295	7,068,756	
Additions	-	-	165,370	-	3,657	6,086	175,113	-	3,506	189,515	-	21,502	214,523	389,636	
Disposals	-	-	(22,365)	-	(35,000)	-	(57,365)	-	-	-	-	-	-	(57,365)	
Reclassification	-	-	39,796	-	-	(39,796)	-	-	-	-	-	-	-	-	
As 31 Jan 2023	911,387	1,031,634	1,283,713	3,387	1,874,484	882,604	5,987,209	30,000	147,971	1,176,562	33,898	25,387	1,413,818	7,401,027	
Depreciation															
At 1 Feb 2022	379,242	-	745,153	3,285	437,197	-	1,564,877	-	36,731	-	29,711	-	66,442	1,631,319	
Charge for the year	35,998	-	105,951	20	37,529	-	179,498	-	5,998	-	837	-	6,835	186,333	
Eliminated on disposal	-	-	(13,046)	-	(3,208)	-	(16,254)	-	-	-	-	-	-	(16,254)	
At 31 Jan 2023	415,240	-	838,058	3,305	471,518	-	1,728,121	-	42,729	-	30,548	-	73,277	1,801,398	
Net Book Value															
At 31 Jan 2023	496,147	1,031,634	445,655	82	1,402,966	882,604	4,259,088	30,000	105,242	1,176,562	3,350	25,387	1,340,541	5,599,629	
At 31 Jan 2022	532,145	1,031,634	355,759	102	1,468,630	916,314	4,304,584	30,000	107,734	987,047	4,187	3,885	1,132,853	5,437,437	

Heritage Assets are all included at historical cost.

The Swanage Railway Trust
Notes to the Consolidated Accounts
For the Year Ended 31 January 2023

7. Tangible fixed assets (Continued)

The group continues to acquire new heritage assets in accordance with its acquisitions policy. In the last five years, acquisitions have been made as follows:

Heritage Assets	2023	2022	2021	2020	2019
	£	£	£	£	£
Additions - Funded	189,515.00	165,370.00	245,000	212,067	201,508
Additions - Donated	-	-	-	-	-
Disposals (net book value)	-	(1,500)	(250)	(32,500)	(181,533)
Proceeds from disposals	-	-	-	-	34,000
Impairment to Heritage assets	-	(350)	(37,003)	-	-

8. INVESTMENT IN THE SWANAGE RAILWAY COMPANY LIMITED (company number 01412568)

The Trust discharges part of its charitable objectives through its subsidiary, the Swanage Railway Company Limited, which operates the Swanage Railway and undertakes the associated trading activities.

The share structure of the Swanage Railway Company Limited is such that The Swanage Railway Trust is the only shareholder who can hold voting shares in the Company. The effect of this structure is that The Swanage Railway Trust controls the Swanage Railway Company Limited. The trust owns 96% of the issued share capital of The Swanage Railway Company Limited.

An extract of the subsidiary's income statement is in note 2 to these accounts.

An extract from the Balance Sheet of the Swanage Railway Company Limited at 31 January 2023 is as follows:-

	2023	2022
	£	£
Fixed assets	4,259,090	4,304,585
Current assets	284,883	656,003
Current liabilities	(780,067)	(603,854)
Total assets less current liabilities	3,763,906	4,356,734
Creditors due in more than one year	(2,426,208)	(2,624,698)
Provisions for liabilities	(34,272)	(142,403)
	<u>1,303,426</u>	<u>1,589,633</u>
Called up share capital - owned by trust see page 18	470,605	470,605
Called up share capital - owned by members	16,358	16,358
Revaluation reserve	371,202	371,202
Profit and loss account	445,261	731,468
	<u>1,303,426</u>	<u>1,589,633</u>

The Swanage Railway Trust
Notes to the Consolidated Accounts
For the Year Ended 31 January 2023

9. INVESTMENTS IN LISTED ENTITIES

	£
Market value at 1 February 2022	4,586
Additions	-
Disposals	-
Net investment (losses)/gains	(1,100)
Market value at 31 January 2023	<u>3,486</u>

10. STOCKS

	Trust and Subsidiary		Trust	
	2023	2022	2022	2021
	£	£	£	£
Shop stocks for resale	29,774	21,314	-	-
Catering stock	4,863	3,763	-	-
Consumable stocks	47,578	44,582	-	-
Special events stock	1,666	3,488	-	-
Driver experience	173	90	-	-
	-	-	-	-
	<u>84,054</u>	<u>73,237</u>	<u>-</u>	<u>-</u>

11. DEBTORS AND PREPAYMENTS

	Trust and Subsidiary		Trust	
	2023	2022	2023	2022
	£	£	£	£
Trade debtors	26,359	18,405	4,014	26
Loan to the Swanage Railway Company Limited	-	-	135,719	135,719
Other debtors	276,267	69,435	276,269	34,000
Prepayments and accrued income	46,448	14,943	13,629	2,877
VAT	37,932	-	15,331	-
	<u>387,006</u>	<u>102,783</u>	<u>444,962</u>	<u>172,622</u>

The total amount outstanding on the Winter Loan from Swanage Railway Trust Limited to Swanage Railway Company Limited at 31 January 2023 was £nil (2022: £nil).

Interest is charged at 1.5% above the banks base lending rate and the amount of interest charged in the year was £nil (2022 - £6,534).

At 31 January 2023, there was an other debtor of £135,719 (2022: £135,719) due from Swanage Railway Company Limited to Swanage Railway Trust.

The Swanage Railway Trust
Notes to the Consolidated Accounts
For the Year Ended 31 January 2023

12. CREDITORS AND ACCRUALS

	Trust and Subsidiary		Trust	
	2023	2022	2023	2022
	£	£	£	£
Due within one year				
Trade creditors	596,617	191,663	326,015	149,856
Taxation and social security	29,375	19,996	-	-
Bank loans	50,000	54,167	-	-
Members loans	-	5,000		5,000
Life membership equalisation account	11,700	10,000	11,700	10,000
Other creditors, accruals, deferred income	189,635	248,848	23,526	49,257
	<u>877,327</u>	<u>529,674</u>	<u>361,241</u>	<u>214,113</u>

Deferred income relates to ticket sales in advance for events taking place after the year end.

	Trust and Subsidiary		Trust	
	2023	2022	2023	2022
	£	£	£	£
Due more than one year				
Members Loans	53,000	3,000	53,000	3,000
Bank loans	154,202	195,833	-	-
Life membership equalisation account	51,458	47,858	51,458	47,858
Other creditors and accruals	25,525	88,018	2,124	2,218
	<u>284,185</u>	<u>334,709</u>	<u>106,582</u>	<u>53,076</u>

13. LIFE MEMBERSHIP

LifeTime membership subscriptions are credited to the accounts and released over ten years.

The movements during the year were:-

	2023	2022
	£	£
Ordinary Life, Lifetime Travel and Premier Life Memberships brought forward	57,858	61,858
New memberships in the year	17,000	6,000
Premier life memberships released over 10 years	-	-
Life member subscriptions released over 10 years	(11,700)	(10,000)
Balance of life memberships at close of year	63,158	57,858
Shown in:-		
Creditors under 1 year	11,700	10,000
Creditors over 1 year	51,458	47,858
	<u>63,158</u>	<u>57,858</u>

Both Premier Life Membership and Ordinary Life membership have now closed to new applicants. The Life Time Travel Membership continues.

The Swanage Railway Trust
Notes to the Consolidated Accounts
For the Year Ended 31 January 2023

14. FUNDS

The balance of the unrestricted fund may be reconciled as follows:-

	Opening balance at 1 February 2022	Incoming Resources	Expenditure	Transfers	Gains/ (losses) on revaluation	Closing balance at 31 January 2023
	£	£	£	£	£	£
General funds - Charity	1,528,879	431,037	(232,467)	(224,762)	(1,100)	1,501,587
Designated funds for;						
Restoration	69,650	14,081	(3,061)	(10,935)	-	69,735
Other capital expenditure	64,307	-	(26,540)	20,697	-	58,464
Other projects	68,805	-	(162)	-	-	68,643
4TC designated	18,323	-	-	-	-	18,323
T3 Restoration	118,052	-	(1,420)	(2,983)	-	113,649
Carriage shed	207,605	-	-	-	-	207,605
Strategic reserves	50,000	-	-	200,000	-	250,000
Governance review	-	-	-	15,000	-	15,000
Total designated	596,742	14,081	(31,183)	221,779	-	801,419
Restricted funds;						
Museum Group	152,227	44,882	(33,818)	-	-	163,291
Swanage 4TC Group	239,137	7,772	-	-	-	246,909
T3 Restoration	305,576	104,091	-	2,983	-	412,650
Carriage shed	76,518	-	(4,121)	-	-	72,397
Total restricted	773,458	156,745	(37,939)	2,983	-	895,247
Total Charity Funds	2,899,079	601,863	(301,589)	-	(1,100)	3,198,253
General funds - Company	3,243,467	2,808,782	(3,225,460)	-	-	2,826,789
Revaluation reserve	371,202	-	-	-	-	371,202
Total - Consolidated	6,513,748	3,410,645	(3,527,049)	-	(1,100)	6,396,244

The Swanage Railway Trust
Notes to the Consolidated Accounts
For the Year Ended 31 January 2023

14. FUNDS - comparative note

The balance of the unrestricted fund may be reconciled as follows:-

	Opening balance at 1 February 2021 £	Incoming Resources £	Expenditure £	Transfers £	Gains/ (losses) on revaluation £	Closing balance at 31 January 2022 £
General funds - Charity	1,800,383	327,518	(383,088)	(216,980)	1,046	1,528,879
Designated funds for;						
Restoration	67,406	12,195	(9,951)	-	-	69,650
Other capital expenditure	89,552	-	(2,098)	(23,147)	-	64,307
Other projects	69,337	-	(532)	-	-	68,805
4TC designated	18,323	-	-	-	-	18,323
T3 Restoration	23,052	-	-	95,000	-	118,052
Carriage shed	112,478	-	-	95,127	-	207,605
Strategic reserves	-	-	-	50,000	-	50,000
Total designated	380,148	12,195	(12,581)	216,980	-	596,742
Restricted funds;						
Museum Group	131,692	37,962	(17,427)	-	-	152,227
Swanage 4TC Group	222,277	18,435	(1,575)	-	-	239,137
T3 Restoration	219,555	87,468	(1,447)	-	-	305,576
Carriage shed	-	77,107	(589)	-	-	76,518
Total restricted	573,524	220,972	(21,038)	-	-	773,458
Total Charity Funds	2,754,055	560,685	(416,707)	-	1,046	2,899,079
General funds - Company	2,881,078	2,817,077	(2,454,689)	-	-	3,243,467
Revaluation reserve	371,202	-	-	-	-	371,202
Total - Consolidated	6,006,335	3,377,762	(2,871,396)	-	1,046	6,513,748

The designated funds for purposes as described above are designated and reviewed annually by the Council of Management. Incoming resources are received into the general fund and are subsequently reallocated to the designated funds at the discretion of the directors.

The revaluation reserve is in respect of Heritage Assets and Listed Fixed Asset Investments.

Included within general funds is £16,378 of share capital representing non voting shares in Swanage Railway Company Limited which are owned by members of the company. The funds raised on issue of the shares were included in unrestricted income and are not due back to shareholders. Minority shareholders have no entitlement to profit.

Transfers have been made from restricted funds to general funds to account for grants that have been fully expended on fixed assets in line with the restriction. The original restriction is therefore released on these funds.

The purpose of each of the restricted funds is as follows:-

- Museum Group –donations towards the upkeep and development of the Museums at Norden and Corfe
- The Swanage 4TC Group – fundraising for and restoration of a 4TC unit to be based at Swanage to provide a push-pull set working with a Class 33/1 diesel electric locomotive

The Swanage Railway Trust
Notes to the Consolidated Accounts
For the Year Ended 31 January 2023

15. RECONCILIATION OF TOTAL FUNDS TO NET ASSETS

	Fixed Assets	Bank	Current Assets	Creditors <1year	Creditors >1year	Total
	£	£	£	£	£	£
General funds	4,571,623	481,475	405,092	(724,718)	(284,185)	4,449,287
Designated funds	9,837	791,582	-	-	-	801,419
Restricted funds	650,452	244,795	65,969	(186,881)	-	895,247
Revaluation	371,202	-	-	-	-	371,202
	<u>5,603,114</u>	<u>1,517,852</u>	<u>471,061</u>	<u>(911,599)</u>	<u>(284,185)</u>	<u>6,396,243</u>

15. RECONCILIATION OF TOTAL FUNDS TO NET ASSETS - comparative

	Fixed Assets	Bank	Assets	Liabilities	Total
	£	£	£	£	£
General funds	4,410,532	1,004,954	175,888	(819,905)	4,771,469
Designated funds	9,837	586,905	-	-	596,742
Restricted funds	650,452	310,632	132	(186,881)	774,335
Revaluation	371,202	-	-	-	371,202
	<u>5,442,023</u>	<u>1,902,491</u>	<u>176,020</u>	<u>(1,006,786)</u>	<u>6,513,748</u>

16. FINANCIAL COMMITMENTS

The group is committed to paying the following remaining lease payments on non-cancellable operating leases;

	Trust and Subsidiary		Trust	
	2023	2022	2023	2022
	£	£	£	£
Lease expiring				
-in under 1 year	296,501	296,501	19,506	22,757
-after 1 year but within 5 years	1,487,207	1,482,505	-	-
-after 5 years	5,078,587	5,375,087	-	-
	<u>6,862,295</u>	<u>7,154,093</u>	<u>19,506</u>	<u>22,757</u>

Locomotive hire agreements

a) The Swanage Railway Trust's trading subsidiary, Swanage Railway Company Limited, utilises the motive power and engineering support provided by Southern Locomotives Engineering Limited for which there is an agreement under which Swanage Railway Company Limited pays a fixed amount each year. As detailed in Note 17, a number of the directors of The Swanage Railway Trust and the directors of the trading subsidiary are also shareholders in Southern Locomotives Limited, the holding company of Southern Locomotives Engineering Limited.

The Swanage Railway Trust
Notes to the Consolidated Accounts
For the Year Ended 31 January 2023

16. FINANCIAL COMMITMENTS - continued

The amount billed in respect of the year to the trading subsidiary by Southern Locomotives Hire Limited was £151,550 (2022 - £97,068). At the year end, an amount of £12,000 (2022: £nil) was owed to Southern Locomotives Hire Limited.

b) The Swanage Railway Trust's trading subsidiary, Swanage Railway Company Limited, utilised the locomotive power provided by JMB Locomotive Services. The amount invoiced by JMB Locomotive Services to the trading subsidiary for the supply of motive power in respect of the year was £154,440 (2022: £78,000). A total of £28,080 was the outstanding balance at the year end (2022: £9,360).

17. PROVISIONS FOR DEFERRED TAXATION

The Swanage Railway Company, the subsidiary of The Swanage Railway Trust produced a net loss before taxation of £392,955 for the year ending 31 January 2023.

A deferred tax liability of £34,272 has been calculated as a result of timing differences and has been accounted for as a liability in the Company's entity level accounts. This year the deferred tax liability has reduced by £108,132. This is due to the tax losses incurred in the period having an affect on the deferred liability calculation. The calculation has been disclosed in the Company's accounts for the year ended 31 January 2023, a copy of the Swanage Railway Company Limited's financial statements are publicly available from Companies House.

18. RELATED PARTY TRANSACTIONS

Swanage Railway Company Limited is a 96% owned subsidiary of Swanage Railway Trust.

The total amount outstanding on loans made to the company by Swanage Railway Trust at 31 January 2023 was £135,719 (2022: £135,719).

Interest is charged on the above loans at 1.5% above the Bank of England base rate. Interest charged in the year to 31 January 2023 was £nil (2022: £6,534).

Four Trustees of the Swanage Railway Trust have a shareholding in the parent of a Locomotives group which Swanage Railway group use as a supplier. During the year ended 31 January 2022, Swanage Railway Company (a subsidiary of Swanage Railway Trust) made payments totalling £151,550 (2022: £97,068) to this supplier and there was £12,000 outstanding at the year end (2022: £nil). These transactions were made with Swanage Railway Company, a member of the group.

Trustees donated amounts totalling £300 (2022:£1,225) of which £300 was donated towards the T3 appeal. The remaining donations were without conditions.

THE SWANAGE RAILWAY TRUST

England & Wales - Charity number 1087318

Accounts

REGISTERED COMPANY NUMBER: 04115126 (England and Wales)
REGISTERED CHARITY NUMBER: 1087318

The Swanage Railway Trust
(A Company Limited by Guarantee)
Consolidated Accounts
For the year ended 31 January 2022

The Swanage Railway Trust
For the Year Ended 31 January 2022

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The Swanage Railway Trust
Charity information

COMPANY REGISTRATION NO: 4115126

CHARITY NO: 1087318

COMPANY SECRETARY: M R Woolley

REGISTERED OFFICE: Station House
Swanage
Dorset, BH19 1HB

DIRECTORS AND TRUSTEES
(Collectively known as the
Council of Management)

G C Johns (Chairman)
R Coldham (Deputy Chairman)
M R Woolley (Secretary) (Resigned October 2021)
A L Moore (Treasurer)
E M Sellen
N S C Coram
P N Sills
T J Parsons
W S Trite
M A Whitwam
D Bennett (Resigned October 2021)
G W Carter
S J Williams (Resigned November 2021)
W Sheret
R Patterson (Appointed October 2021)

PROFESSIONAL ADVISERS

BANKERS

Barclays Bank Plc
Barclays House
Wimborne Road
Poole
Dorset BH15 2BB

AUDITORS

Ward Goodman Audit Services Limited
4 Cedar Park, Cobham Road
Ferndown Industrial Estate
Wimborne
BH21 7SF

**The Swanage Railway Trust
Chairman's Strategic Report
For the Year Ended 31 January 2022**

If 2020/2021 was a year without parallel for the Railway then the unexpected continuation of the practical impact of the pandemic well into 2021/2022, made 2021/2022 a close contender. However, the outcome could not have been more different as these accounts testify.

In 2020/2021 the Swanage Railway Company reported a loss of £497,791 whereas in 2021/2022 a profit of £457,307 is recorded. Why?

Our ability to trade in 2020 was heavily curtailed by restrictions imposed to manage Covid. We cut our costs, focusing only on what was essential to maintain our readiness to operate and then to operate from mid-summer onwards managing train capacity to maintain social - distancing. The overall impact being a significant reduction in passenger numbers and income in comparison with recent years. The 'Save-our-Service' fund-raising gave a significant boost in parallel with Government support but even, so a loss was reported. In 2021/2022 trading remained constrained but as the year progressed and restrictions lifted and vaccinations increased giving passengers increasing confidence trading conditions improved. Government support, particularly from Culture Recovery grants, gave vital support early in the year and helped us maintain positive cash flows. Summer trading was better than 2020/2021 but even so the year ended with some 50,000 less passengers than in earlier years when we typically carried up to 220,000 passengers a year. This impacted significantly on income earned from passengers.

Our overall success in 2021/2022 is due to the support the Government provided businesses and the support from the residue of the fundraising started in 2020. Without that support we would have returned another loss.

The Trust has in previous years provided further short term loan support to the Company during winter periods to assist with cash flow and ordinarily the Company repays this in full as summer trading progressed the following year. The winter loan in 2019/20 was not repaid the following year due to the effect of restrictions on trading. It is pleasing to note that the Company has been able to repay this loan in full, together with interest, as a result of trading in 2021/22. Furthermore the Company cash position remained sufficient to not require a further winter loan in winter 2021/22. The resulting cash position in the Trust enabled the decision, commented on earlier, to support establishing a strategic financial reserve.

The resulting strong position in the Trust enabled the decision, to protect our trading ability by establishing within the Trust a significant strategic financial reserve and further support for future winter cash flow support. In total, with addition of other resources, we will seek to maintain a fund of about £500,000 for this purpose. This fund will provide us with the ability to weather unforeseen events and good-practice and experience of covid has underlined the need to establish and maintain these reserves. The funds will not be used to develop new assets or expand our services or repair our existing assets. Their role is expressly to provide a financial buffer should our trading abilities be hit again.

Other significant plans such as the carriage shed at Herston and the operation of the trial train service to Wareham have been further delayed during 2021. The former by the impact of covid and the latter by our licensing process managed by the Office of Rail and Road being re-scheduled for 2022. I will return to both of these matters later in this commentary.

**The Swanage Railway Trust
Chairman's Strategic Report
For the Year Ended 31 January 2022**

The experience in both 2020/2021 and in 2021/2022 reinforces the fact that we have no choice other than to move our business model to a sustainable footing. I drew attention in the 2019/2020 accounts to the need for corrective action to address the increasing imbalance between our costs and income. The pandemic diverted us from that task, as we fought to survive, but now we must address it with vigor.

We could not have achieved this without the on-going support of our Members and volunteers, so to all those individuals and organisations who helped us through the year I must express the Trustees sincere thanks for the part you played in ensuring our survival.

We must now turn our focus to the future and the significant task that is ahead.

In simple terms we must do three key things;

- i) become sustainable where operating the Railway generates a surplus to re-invest in asset improvement;
- ii) simplify our governance structures to support the sustainable aim; and
- iii) develop funding sources to support our ongoing development to meet our own and stakeholder expectations.

Sustainability for our Railway means aligning all that we do to operate a safe welcoming attraction that our customers wish to use. It will mean looking at resources and how we use them. That might mean new ways of doing things or changed priorities which support the sustainability objective. We need to spend our money more effectively by improving planning processes and prioritising projects. A plan to deliver a sustainable Railway is starting to take shape and more detailed announcements will be made as the work progresses and the action plan becomes tangible.

Our governance processes were identified before the pandemic as requiring a radical overhaul to ensure regulatory compliance and to improve internal efficiencies in supporting the charitable and business aims of the Railway. The work was paused by the pandemic but has now been resumed and consultation was undertaken in April to inform the Trustees decision on the way to progress this important work. The consultation proposed simplification of our structure with both the Trust and Company merging into one Company managed by a Board of suitably skilled and experienced Director/Trustees and supported by a number of committees or groups. Member rights would transfer unchanged to the new organisation. Decisions will be informed by the consultation and by the time of the AGM in October the direction to take decided on for formal consideration.

Finally, the trading surplus from a sustainable Company is unlikely to fund our future plans in total. Our fundraising needs to develop to secure grant support for our projects such as improved maintenance facilities or providing longer trains. Other tried and tested ways to raise funds for specific project will continue. Key to this will be a good understanding of what we need to do and what our priorities are so that fundraising can be targeted appropriately.

**The Swanage Railway Trust
Chairman's Strategic Report
For the Year Ended 31 January 2022**

The Trust continues to offer the Company its full support by recruiting volunteers and raising funds which are supplied as grants to the Company. This includes the benefits from legacies which are used on projects. The Trust has in previous years provided further short term loan support to the Company during winter periods to assist with cash flow and ordinarily the Company repaid this in full as summer trading progressed. The last loan was made early in 2020/21 but not repaid that year due to the effect of restrictions on trading. It is pleasing to note that the Company has been able to repay this loan in full together with interest as a result of trading in 2021/22. Furthermore the cash position remained sufficient to not require a further winter loan in 2021/22. The cash position in the Trust enabled the decision, commented on earlier, to support establishing a strategic financial reserve.

During 2022 we will continue with our other projects.

Securing our licence to operate services to Wareham remains our goal. The delays mentioned earlier, to this process, meant that services could not start in May 2022 as tentatively planned. We are entirely on financial risk for the trial service. To operate requires a significant financial outlay and we decided because of the uncertainties facing our business at the start of the year make that outlay with a positive business case. Our plan is to secure the consent to operate, and start services when business conditions are at their best. Main line train operators continue to report that their passenger numbers have yet to return to pre covid levels and there seems little advantage to us or stakeholders in seeking to operate a trial service when trading conditions are known to be suppressed.

Work progresses with the overhaul and return to steam of the T3 locomotive number 563. The final stages of the overhaul are expected to be completed for a return to steam in 2023. The locomotive will make a fine sight on a London & South Western Railway branch for us all to enjoy.

We remain committed to complete the carriage shed at Herston. Since starting in 2019 this project has been bedevilled including a long suspension of work during the pandemic restrictions. We plan to re-tender, this work in two packages and in the process transfer some of the risk back to the contractor. The packages are for design, fabrication and erection in one phase (November 2022) and cladding (January 2023) in the second phase.

As we start the year the Railway continues to face extraordinary pressures increasing uncertainty over how the year will unfold. The terrible events in Ukraine have impacted on our coal supplies and price: general prices rises are impacting on our own costs and reducing our passengers discretionary spend. The unpredictability that was such a characteristic of the Pandemic years remains with us but we remain committed to work to manage and develop the Railway that we and our passengers know and love.

**The Swanage Railway Trust
Chairman's Strategic Report
For the Year Ended 31 January 2022**

Finally, I should like to express my thanks to Mark Woolley who decided last October to step down as a Trustee and from his role as Secretary to the Trust. A role he performed for 30 years. I am grateful to him for the commitment he gave the Railway over those years.

Thank you again for your ongoing support.

A handwritten signature in black ink, appearing to read 'G C Johns', with a long horizontal stroke extending to the right.

G C Johns
Chairman
Swanage Railway Trust

**The Swanage Railway Trust
Directors Report
For the Year Ended 31 January 2022**

The directors are pleased to present their report together with the consolidated financial statements of the charity and its subsidiary company for the year ended 31 January 2022.

STRUCTURE, GOVERNANCE AND MANAGEMENT

CONSTITUTION

The Swanage Railway Trust is a company limited by guarantee and a registered charity governed by its Memorandum and Articles of Association. Its Charity Number is 1087318 and its Company Number is 4115126.

The legal and administrative information set out on page 3 forms part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association, and the Statement of Recommended Practice – Accounting and Reporting by Charities (SORP FRS 102).

MANAGEMENT

The Swanage Railway Trust has a single management body, the Board of Directors (also known as the Council of Management), elected by the members for a two year period. Fifty percent of the directors are required to retire by rotation each year at the Trust's Annual General Meetings.

The Council of Management delegate day to day responsibilities of managing the Railway to The Swanage Railway Company's Senior Management Team, overseen by the Board. The Directors consider the following people to be part of Key Management.

Directors;

Andrew Moore (Director)
Kevin Potts (Director)
Elizabeth Sellen (Director)
Mark Woolley (Director) (Resigned October 2021)
Gavin Johns (Director)
Keith Usher (Director)
Nathan Au (Director)
Trevor Parsons (Director)
Robert Patterson (Director) (Appointed April 2022)
Randy Coldham (Director) (Appointed April 2022)

Senior Managers;

Lorna Lock (Finance and Personnel Manager)
James Cox (Locomotive Carriage & Wagon Manager)
Ashley Haines (Operations Manager)
Martin Trott (Passenger Services Manager)
Barry Light (Permanent Way Manager)(Resigned May 2022)
Graham Froud (Steam Locomotive Superintendent)
Andrew Haddon (Safety and Compliance Manager)

**The Swanage Railway Trust
Directors Report
For the Year Ended 31 January 2022**

Key Management Personnel are employed by the Swanage Railway Company and are remunerated in accordance with the pay structures established by its Directors who act with the authority delegated by the Council of Management.

DIRECTORS MEETINGS

The Council of Management meets 8 times a year.

DIRECTOR INDUCTION AND TRAINING

The directors of the charitable company are the trustees for the purpose of charity law and throughout this report are referred to as the directors.

The Directors of the Trust are elected by the membership of the Trust or, in the case of the Secretary and Treasurer, can be appointed ex-officio in order to ensure that the Board has suitably experienced persons in these positions. All Directors of the Trust are members of the Trust and as such are familiar with the overall goals of the Trust. A formal review of the Trust policies is held annually at the meeting following elections to ensure that these remain appropriate and that the new Directors are familiar with them.

The Swanage Railway Trust provides a briefing pack to members considering standing for election to the Council of Management. This pack includes, inter-alia, a copy of the Trust's Articles of Association, a copy of the Trust's formal policies and a copy of CC3 – The Charity Commission's guide for new Trust Directors. Successful candidates are asked to confirm receipt of these in writing and that they understand the information contained therein. Any changes to the guidance issued by the Charity Commission will be considered by the appropriate director, and where necessary, discussed at a meeting of the Council of Management.

OBJECTIVES AND ACTIVITIES

The objectives of the Swanage Railway Trust, as set down in its Memorandum of Association, is to study, compile records on and acquire, restore, preserve and maintain railway lines, locomotives, rolling stock and other items of railway interest, and to provide training and instruction in such activities and in particular but without prejudice to the generality of the foregoing those associated with the Isle of Purbeck, the former London and South Western Railway, other Railways which were in existence in Southern England during and before the year of nineteen hundred and twenty-three, the Southern Railway, and the Southern Region of British Railways, and to enter in such agreements and to take all such steps as may be necessary for these purposes, and to organise, sponsor and support displays and such other shows and events for the provision and stimulation of information, education and interest in such vehicles and other items of railway interest.

The SRC Board use annual passenger numbers on the railway to measure the performance of the Group.

A review of business describing how objectives and activities have been achieved in the current year has been included in the Chairman's Strategic Report which starts on page 4.

**The Swanage Railway Trust
Directors Report
For the Year Ended 31 January 2022**

PUBLIC BENEFIT

The directors have given due regards to the requirement of the Charity Commission with respect to public benefit.

RISK MANAGEMENT

The directors have considered the major risks that the Swanage Railway Trust and its trading subsidiary face when developing strategies and strategic plans for the future. The major risks are lack of funding to prevent the Trust from achieving its objectives and operational issues for the trading subsidiary which will be enhanced in the future with operations to and from the main line. These risks may cause a delay in the Trust achieving its objectives or curtail the operations of the trading subsidiary. Where appropriate, directors obtain the assistance of experts in the various areas that are a risk to the Trust or its trading subsidiary.

RELATED PARTIES

The charity acknowledges a relationship with:-

The Swanage Railway Company Limited
Southern Locomotives Hire Ltd
Southern Locomotives Engineering Limited
71A Locomotive Ltd
Class 33/1 Preservation Co. Ltd
JMB Locomotive Services

The Swanage Railway Trust holds a controlling interest in the Swanage Railway Company Limited, which assists the Trust in meeting its objectives by operating the Swanage Railway and undertaking the associated trading activities. Whilst the company has a paid staff it is still heavily dependent on the supply of volunteers by the Trust for the operation of its train services and the maintenance and development of the railway.

A number of the directors of the Swanage Railway Trust are also directors of the Swanage Railway Company Limited. It is current Trust policy that the majority of voting Directors of the Swanage Railway Company are also Directors of the Swanage Railway Trust.

VOLUNTEERS

The charity is heavily dependent on the volunteers who perform many different tasks to assist with the management, administration, maintenance and operation of the railway.

FUNDRAISING STANDARDS INFORMATION

The charity does not use professional fundraisers or direct mail. Members receive regular communication through the magazine and appeal information is on the charity's website. The trustees are satisfied that there is no undue pressure on members of the public to donate to The Swanage Railway Trust.

**The Swanage Railway Trust
Directors Report
For the Year Ended 31 January 2022**

FINANCIAL REVIEW

The level of consolidated income has decreased largely because of the reduction of capital grants from outside organisations which were made to the trading subsidiary as those projects near completion although this is matched by a decrease in capital and revenue expenditure. Legacy income in the Trust was also substantially greater this year. The Trust has continued to make grants to the Swanage Railway Company Limited for the restoration and construction of railway buildings, track maintenance, locomotives and rolling stock which are part of the objectives of the Trust.

Consolidated funds total £6,513,748 at 31 January 2022 (2021 - £6,006,335). There is a requirement for a high level of reserves given the substantial investment by the Trust and its subsidiary in fixed assets.

RESERVES POLICY

The Group has a requirement for a high level of reserves due to its large investment in fixed assets and its trading subsidiary and for setting aside resources for future projects.

Where funds have been raised for specific projects, the Group maintains separate funds either as designated or restricted funds – see notes 14 and 15.

The available reserves of the Group are as follows:

Total consolidated funds at 31 January 2022	6,513,748
Less:-	
- Tangible Fixed assets	5,437,437
- Fixed asset investments	4,586
- Restricted funds held in bank balances	310,632
- Designated funds	596,742
	164,351

Free reserves are calculated by deducting fixed assets from the unrestricted (and undesignated) reserves held at the year-end. The trustees are able to undesignate reserves if required.

Funds in relation to fixed assets would only be released on the sale of those assets.

The Group will continue to invest in fixed assets and locomotive overhaul in 2022/23.

The Directors review the finances of the Trust and its Subsidiary each month at the Council of Management meetings.

The Finance and General Purpose Group, consisting of SRC Directors, SRT Trustees and other members, is in place and meet on a regular basis throughout the year to advise the Board and Trustees on financial matters.

**The Swanage Railway Trust
Directors Report
For the Year Ended 31 January 2022**

FUTURE PLANS

The Group intends to use its strategic objectives to utilise its resources and to develop its museum facilities and collections and to restore further items of equipment appropriate to its need for use on the Swanage Railway.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the consolidated financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the directors 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 the group and of the incoming resources and application of resources, including income and expenditure of the charitable company and the group for that period. In preparing these financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgments and estimates that are reasonable and prudent;
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charitable group will continue in business.

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.

**The Swanage Railway Trust
Directors Report
For the Year Ended 31 January 2022**

In so far as the directors are aware:

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

The auditors, Ward Goodman, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by Order of the Directors

A Moore

**A Moore
Company Director**

Date *21 May 2022*

**Report of the Independent Auditors of
The Swanage Railway Trust
For the Year Ended 31 January 2022**

Opinion

We have audited the consolidated financial statements of The Swanage Railway Trust (the parent company and its trading subsidiary, together 'the group') for the year ended 31 January 2022 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets and the consolidated statement of cashflows and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 January 2022 and of the group's and parent charitable company's incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the group and the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the director's' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Report of the Independent Auditors of
The Swanage Railway Trust
For the Year Ended 31 January 2022**

Other information

The trustees and directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Statement of Director's Responsibilities set out on page eleven, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

**Report of the Independent Auditors of
The Swanage Railway Trust
For the Year Ended 31 January 2022**

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities including fraud. The extent to which are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks applicable to the Group and the sector in which they operate. We determined that the following laws and regulations were most significant: the Companies Act 2006, the UK Corporate Governance Code, UK corporate taxation laws and UK government Covid-19 support schemes.
- We obtained an understanding of how the Group are complying with those legal and regulatory frameworks by making inquiries to the management. We corroborated our enquiries through our review of board minutes and papers provided to the Committee of Management.
- We assessed the susceptibility Group's financial statements to material misstatement, including how fraud might occur.

Audit procedures performed by the engagement team included:

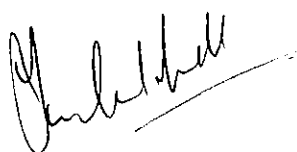
- 1) Identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
- 2) Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
- 3) Challenging assumptions and judgments made by management in its significant accounting estimates;
- 4) Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations; and
- 5) Assessing the extent of compliance with the relevant law and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

**Report of the Independent Auditors of
The Swanage Railway Trust
For the Year Ended 31 January 2022**

Use of our report

This report is made solely to the group and charitable company. Our audit work has been undertaken so that we might state to the group and charitable company those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the group and charitable company as a body, for our audit work, for this report, or for the opinions we have formed.



Ian M Rodd BSc FCA FCCA (Senior Statutory Auditor)
For and on behalf of Ward Goodman Audit Services Limited
Statutory Auditor
4 Cedar Park
Cobham Road
Ferndown Industrial Estate
Wimborne
Dorset
BH21 7SF

Date: 30 June 2022

The Swanage Railway Trust
Consolidated Statement of Financial Activities
For the Year Ended 31 January 2022
(Incorporating the Consolidated Income and Expenditure Account)

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Total 2021 £
Incoming Resources					
Voluntary Income:					
Appeals, donations, legacies and covenants		214,156	197,461	411,617	747,283
Grant income		469,962	23,505	493,467	5,400
Activities for generating funds:					
Membership subscriptions		39,263	-	39,263	38,414
Fund raising and other income		24,501	-	24,501	24,297
Trading income		2,350,587	-	2,350,587	996,060
Investment income		69	6	75	1,043
Government grants		58,252	-	58,252	295,668
Total Incoming Resources	2	3,156,790	220,972	3,377,762	2,108,165
Resources Expended					
Cost of generating funds					
Trading expenses		2,543,271	-	2,543,271	3,091,890
Fundraising costs		8,952	-	8,952	24,116
Charitable activities		155,731	21,038	176,769	197,383
Total Resources Expended	5	2,707,954	21,038	2,728,992	3,313,389
Net Incoming Resources		448,836	199,934	648,770	(1,205,224)
Provision for deferred taxation		(142,403)	-	(142,403)	-
Revaluation adjustment		1,046	-	1,046	(2,879)
Transfers between funds		-	-	-	-
Net movement in funds		307,479	199,934	507,413	(1,208,103)
Funds at 1 February 2021		5,432,811	573,524	6,006,335	7,214,438
Funds at 31 January 2022	14,15	5,740,290	773,458	6,513,748	6,006,335

**The Swanage Railway Trust
Consolidated Balance Sheet
As at 31 January 2022**

		2022	2021
		£	£
Fixed Assets	Notes		
Tangible Fixed Assets	7	5,437,437	5,429,883
Fixed asset investments - listed	9	4,586	3,540
Total fixed assets		<u>5,442,023</u>	<u>5,433,423</u>
Current Assets			
Stocks	10	73,237	91,304
Debtors and prepayments	11	102,783	245,907
Cash at bank and in hand		1,902,491	975,673
		<u>2,078,511</u>	<u>1,312,884</u>
Creditors: Amounts falling due within one year			
Creditors and accruals	12	(529,674)	(441,048)
Net Current Assets		1,548,837	871,836
Total assets less current liabilities		<u>6,990,860</u>	<u>6,305,259</u>
Creditors: Amounts falling due after more than one year	12	(334,709)	(298,924)
PROVISIONS FOR LIABILITIES		(142,403)	-
Net Assets		<u>6,513,748</u>	<u>6,006,335</u>
Unrestricted Funds;			
General funds		4,772,346	4,681,461
Designated funds		596,742	380,149
Revaluation funds		371,202	371,202
	14	<u>5,740,290</u>	<u>5,432,811</u>
Restricted funds	14	773,458	573,524
Total funds	15	<u>6,513,748</u>	<u>6,006,335</u>

REGISTERED COMPANY NUMBER: 04115126 (England and Wales)

REGISTERED CHARITY NUMBER: 1087318

These financial statements were approved by the directors and authorised for issue on '21 May 2022, and are signed on their behalf by:

AL Moore

A L Moore - Director

G C Johns

G C Johns - Director

The Swanage Railway Trust
Balance Sheet
As at 31 January 2022

	Notes	2022 £	2021 £
Fixed Assets			
Tangible Fixed Assets	7	1,132,853	982,190
Fixed asset investments - listed	9	4,586	3,540
Investment in subsidiaries	8	470,605	470,605
Total fixed assets		1,608,044	1,456,335
Current Assets			
Stocks	10	-	-
Debtors and prepayments	11	172,622	799,881
Cash at bank and in hand		1,385,602	690,001
		1,558,224	1,489,882
Creditors: Amounts falling due within one year			
Creditors and accruals	12	(214,113)	(129,039)
Net Current Assets		1,344,111	1,360,843
Total assets less current liabilities		2,952,155	2,817,178
Creditors: Amounts falling due after more than one year	12	(53,076)	(63,124)
Net Assets		2,899,079	2,754,054
Unrestricted Funds;			
General funds		1,528,879	1,800,382
Designated funds		596,742	380,149
Revaluation funds		-	-
	14	2,125,621	2,180,531
Restricted funds	14	773,458	573,524
Total funds	14	2,899,079	2,754,055

REGISTERED COMPANY NUMBER: 04115126 (England and Wales)

REGISTERED CHARITY NUMBER: 1087318

These financial statements were approved by the directors and authorised for issue on 21 May 2022, and are signed on their behalf by:

AL Moore

A L Moore - Director

G C Johns

G C Johns - Director

**The Swanage Railway Trust
Consolidated Cashflow Statement
For the Year Ended 31 January 2022**

	Note	2022 £	2021 £
Net cash flows from operating activities	1	1,055,428	22,163
Cash flows from investing activities			
Purchase of equipment		(225,474)	(209,323)
Interest received		75	1,043
Proceeds from sale of fixed assets		3,835	-
(Gains)/Losses on revaluation of investments		(1,046)	2,879
Net cash flows from investing activities		(222,610)	(205,401)
Cash flows from financing activities			
Capital repayment of Hire Purchase leases		-	(14,415)
New loans in the year		100,000	150,000
Interest paid		(6,000)	(1,800)
Loans repaid		-	-
Net cash flows from financing activities		94,000	133,785
Net increase/(decrease) in cash and cash equivalents		926,818	(49,453)
Cash and cash equivalents at the beginning of the year		975,673	1,025,125
Cash and cash equivalents at the end of the year		1,902,491	975,673
Reconciliation to cash at bank and in hand:			
Cash at bank and in hand		1,902,491	975,673
Bank overdrafts		-	-
Cash and cash equivalents		1,902,491	975,673

The Swanage Railway Trust
Notes to the Consolidated Cashflow Statement
For the Year Ended 31 January 2022

1 Cash flows from operating activities

	2022	2021
	£	£
Net Surplus/(Deficit)	648,770	(1,205,224)
Adjustment for;		
Depreciation charges	167,916	185,212
Reclassification of tangible fixed assets	45,997	-
Gains/(Losses) on revaluation of investments	1,046	(2,879)
Investment income	(75)	(1,043)
Interest paid	6,000	1,800
Impairment losses	-	1,006,496
(Gain)/loss on disposal of fixed assets	172	250
Cash flows before movement in working capital	<u>869,826</u>	<u>(15,388)</u>
(Increase) / Decrease in stock	18,067	(6,394)
(Increase) / Decrease in debtors	143,124	(115,281)
Increase / (Decrease) in creditors	24,411	159,227
Cash generated by operations	<u><u>1,055,428</u></u>	<u><u>22,163</u></u>

2 Analysis of changes in net debt

	At 1 Feb 2021 £	Cash flows £	At 31 Jan 2022 £
Cash and cash equivalents			
Cash at bank and in hand	975,673	926,818	1,902,491
Debt			
Falling due within one year	-	(59,167)	(59,167)
Falling due after one year	(158,000)	(40,833)	(198,833)
	<u><u>817,673</u></u>	<u><u>826,818</u></u>	<u><u>1,644,491</u></u>

**The Swanage Railway Trust
Notes to the Consolidated Accounts
For the Year Ended 31 January 2022**

1. ACCOUNTING POLICIES

1.0 Legal form

The Swanage Railway Trust Limited, a public benefit company under FRS 102, is incorporated as a Company limited by guarantee, registered in England and Wales (company number 4115126). The registered office address is on page 3 of these accounts. The company is also a registered charity in England (charity number 1087318).

The Swanage Railway Company Limited is incorporated as a Company limited by shares, registered in England and Wales (company number 01412568). The registered office address is on page 3 of these accounts.

1.1 Basis of preparation

The Financial statements have been prepared under the historical cost convention as modified by the revaluation of the locomotives and rolling stock and are in accordance with Financial Reporting Standard 102, the Companies Act 2006 and the Charities Accounting Statement of Recommended Practice (SORP FRS 102).

1.2 Basis of Consolidation

The consolidated accounts present the financial statements of The Swanage Railway Trust and its subsidiary the Swanage Railway Company Limited as if they formed a single entity. Intercompany transactions and balances have therefore been eliminated in full.

1.3 Incoming Resources

Membership income:

Annual subscriptions from members are included in full in the year they are received. Life membership subscriptions are credited to the life membership account and from there to income in equal annual instalments over ten years.

Voluntary income and donations:

All voluntary income and donations are accounted for gross when received. Due to the nature of donations and fund raising income the directors have no control over this until received and entered into the records.

Trading income:

Income from the subsidiary trading company is included in the period in which it is generated.

Legacy income:

Legacy income is recognised at the earlier of the charity being notified or the legacy being received.

Government Grants:

Government grants shall be recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate.

1.4 Resources Expended

All resources expended are classified under activity headings that aggregate all costs related to the category.

- Cost of generating funds comprises the costs of fundraising and trading activities.
- Charitable activities include the costs incurred directly in the fulfillment of the Charity's objectives.
- Governance costs represent those costs of the strategic management of the charity and of complying with constitutional and statutory requirements.

The Swanage Railway Trust
Notes to the Consolidated Accounts
For the Year Ended 31 January 2022

1. ACCOUNTING POLICIES - continued

1.4 Resources Expended (continued)

Liabilities are recognised as resources expended once there is a legal or constructive obligation to make a payment to a third party.

All expenditure is included in the Statement of Financial Activities on an accruals basis net of recoverable VAT.

1.5 Operating Leases

Rentals payable under operating leases are charged to the Statement of Financial Activities as incurred over the term of the lease.

1.6 Tangible Fixed Assets

Fixed assets are included at cost or valuation. Expenditure on repairs and renewals and minor items of equipment is written off in the year in which it is incurred.

Freehold land is not depreciated.

1.7 Heritage Assets

Part of the Objectives of the Trust is to acquire, restore, preserve and manage heritage locomotives and rolling stock. These assets are included in the accounts of the Trust at valuation and are not subject to an annual depreciation charge, as in the opinion of the directors the nature of the assets concerned and the level of maintenance is such that there is no significant annual depreciation. Any permanent diminution in the value of such assets is charged to the Consolidated Statement of Financial Activities when recognised in accordance with FRS 102.

Detailed information on the locomotives and rolling stock of the Trust and its subsidiary company can be found at www.swanagerailway.co.uk.

1.8 Infrastructure, plant and equipment

Infrastructure, plant and equipment is stated in the balance sheet at cost less accumulated depreciation.

Depreciation is calculated to write off the cost of the assets concerned on either a straight line basis or a reducing balance basis over their estimated useful lives at the following rates:-

Plant and machinery;

Fixtures and fittings, plant and equipment – 20% Reducing balance

Computer equipment – 25% Straight line

Motor vehicles – 10% Straight line

Rolling stock – Not depreciated

Furniture – 20% Straight line

Shop fittings and equipment;

Fixtures and catering equipment – 20% Straight line

Permanent way – 2% Straight line

Buildings and railway structures – 4% Straight line

The Swanage Railway Trust
Notes to the Consolidated Accounts
For the Year Ended 31 January 2022

1. ACCOUNTING POLICIES - continued

1.9 Impairment of Fixed assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in the Statement of financial activities as described below.

An Asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, that estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

1.10 Stocks

Stocks are valued at the lower of cost or net realisable value.

1.11 Investments

All investments in locomotive preservation groups are stated at cost.

Investment in the Trust's subsidiary company the Swanage Railway Company Limited is stated at cost.

Investments in listed entities are measured at market value at the year end. The listed investments were gifted to the Trust as part of a legacy in previous years and are held to earn investment income. The Trust has no plans or policies in place for further investment in listed entities.

1.12 Fund accounting

Unrestricted funds are available to use to further any of the purposes of the charity, at the discretion of the trustees.

Designated funds are unrestricted funds of the charity which have been set aside by the trustees to fund particular activities of the charity.

Restricted funds are donated for particular areas of the charity work or specific projects undertaken. Restrictions arise when specified by the donor, by the trust deed or when funds are raised for particular restricted purposes.

1.13 Financial instruments

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

Basic financial assets;

Basic financial assets, which include trade and other receivables 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 future receipts discounted at a market rate of interest.

Basic financial liabilities;

Basic financial liabilities, including trade and other payables, bank loans, and loans from group companies are initially recognised at transaction price. Financial liabilities due in more than one year are initially measured at transaction price and subsequently measured at amortised cost using the effective interest method.

The Swanage Railway Trust
Notes to the Consolidated Accounts
For the Year Ended 31 January 2022

1. ACCOUNTING POLICIES - continued

1.13 Financial instruments (continued)

Financial liabilities constituting financing transactions are initially measured at the present value of the future payments discounted at a market rate of interest.

Derecognition of financial assets and liabilities;

Financial assets and liabilities are derecognised when the Group's contractual rights or obligations expire or are discharged, transferred or cancelled.

1.14 Significant judgement and estimates

In the application of the group's accounting policies, which are described above, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

These estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are areas that are considered to be key sources of estimation uncertainty, there are no significant judgements to note.

Useful life and residual values of tangible fixed assets;

The economic useful life of tangible fixed assets and the expected residual value on future disposal is estimated by the Directors based on their knowledge and experience. The total carrying value of fixed assets at 31 January 2022 was £5,437,437.

1.15 Finance Leases

Finance leases are measured at the present value of future lease payments and interest is accrued using the sum of digits method.

1.16 Taxation

The Trust is a registered charity and as such is entitled to certain tax exemptions on surpluses on any trading activities carried on in furtherance of the charity's primary objectives.

Deferred Taxation - Subsidiary only:

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

The Swanage Railway Trust
Notes to the Consolidated Accounts
For the Year Ended 31 January 2022

2. Incoming resources	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total 2022 £	Total 2021 £
Voluntary Income (Trust)				
Donations, legacies and covenants	43,949	192,552	236,501	441,237
Gift aid	32,741	4,909	37,650	57,567
Legacies	137,066	-	137,066	248,479
Grant income	-	23,505	23,505	5,400
Membership subscriptions	39,263	-	39,263	38,414
Fundraising and other income	24,501	-	24,501	24,297
Investment income	69	6	75	1,043
Total voluntary income from Trust	277,589	220,972	498,561	816,437
Activities for generating funds (Subsidiary Company)				
Heritage passenger fare income	1,991,913	-	1,991,913	732,096
Wareham fare income	-	-	-	-
Shop income	115,647	-	115,647	57,128
Catering income	51,810	-	51,810	17,578
Driver experience days	-	-	-	4,524
Other income	191,217	-	191,217	122,853
Insurance claims	-	-	-	-
Revenue grants	470,362	-	470,362	61,881
Government grants	58,252	-	58,252	295,668
Total income from activities in subsidiary company	2,879,201	-	2,879,201	1,291,728
Total consolidated incoming resources	3,156,790	220,972	3,377,762	2,108,165

The Swanage Railway Trust
Notes to the Consolidated Accounts
For the Year Ended 31 January 2022

3. Subsidiary results

The Trust discharges its charitable objectives through its subsidiary the Swanage Railway Company Limited, a company incorporated in the UK. A summary of the trading results including intergroup trading is set out below. Audited accounts are filed with Companies House.

	2022	2021
	£	£
Turnover	3,032,881	1,216,060
Cost of sales	(789,069)	(466,657)
Gross profit	2,243,812	749,403
Administrative expenses	(1,689,843)	(1,537,457)
Operating profit	553,969	(788,054)
Government grants	58,252	295,668
Interest payable	(12,534)	(9,931)
Interest receivable	23	4
Other income	-	4,522
Net profit/ (loss) on ordinary activities	599,710	(497,791)
Less: Deferred taxation	(142,403)	
Retained profit/(loss) for the year	457,307	(497,791)
Net assets	1,589,633	1,132,326

Whilst the financial statements show a profit for the year of £457,307 the reality is that much of this profit was derived from grants received by the railway and reliefs offered as a result of the Covid pandemic. Below is breakdown showing the loss generated by the company when excluding the Covid related support received. Please note that qualifying grant income relates only to grants received related to Covid recovery.

	£
Profit per the financial statements	457,307
Less: Qualifying grant income	(659,674)
Less: Reliefs received	
Rent	(43,987)
Rates	(46,216)
Locomotive hire	(79,872)
Adjusted loss	(372,442)

The Swanage Railway Trust
Notes to the Consolidated Accounts
For the Year Ended 31 January 2022

4 Comparative Consolidated Statement of Financial Activities

	Notes	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total 2020 £	2019 £
Incoming Resources					
Voluntary Income:					
Appeals, donations, legacies and covenants		243,693	44,141	287,834	473,740
Grant income		(954)	954	-	-
Activities for generating funds:					
Membership subscriptions		39,945	-	39,945	40,791
Fund raising and other income		36,828	-	36,828	23,791
Trading income		3,450,735	-	3,450,735	2,884,582
Investment income		3,121	160	3,281	2,467
Total Incoming Resources	2	3,773,368	45,255	3,818,623	3,425,371
Resources Expended					
Cost of generating funds					
Trading expenses		3,264,741	-	3,264,741	3,227,083
Fundraising costs		9,403	-	9,403	5,194
Charitable activities		221,122	33,157	254,279	241,007
Total Resources Expended	5	3,495,266	33,157	3,528,423	3,473,284
Net Incoming Resources		278,102	12,098	290,200	(47,913)
Revaluation adjustment		-	-	-	-
Transfers between funds		18,375	(18,375)	-	-
Net movement in funds		296,477	(6,277)	290,200	(47,913)
Funds at 1 January 2019		6,540,165	384,073	6,924,238	6,972,151
Funds at 31 January 2020	14,15	6,836,642	377,796	7,214,438	6,924,238

The Swanage Railway Trust
Notes to the Consolidated Accounts
For the Year Ended 31 January 2022

5. Total Resources Expended

	Premises & railway running costs £	Admin, salaries and other £	Dep'n £	Total 2022 £	Total 2021 £
Charitable Activities:					
Rent	77,951	-	-	77,951	128,347
Rates & utilities	12,079	-	-	12,079	19,181
Printing & stationery	-	33,878	-	33,878	31,443
Repairs & other	12,521	24,361	7,685	44,567	56,570
Auditors remuneration (audit)	-	3,948	-	3,948	3,760
Auditors remuneration (non audit)	-	4,206	-	4,206	4,529
Other legal and professional	-	140	-	140	10,449
Total charitable activities	102,551	66,533	7,685	176,769	254,279
Costs of generating funds:					
Fundraising costs	-	8,952	-	8,952	9,403
Trading costs (subsidiary only)	1,270,685	1,112,353	160,233	2,543,271	3,264,741
Total cost of generating funds	1,270,685	1,121,305	160,233	2,552,223	3,274,144
Total resources expended	1,373,236	1,187,838	167,918	2,728,992	3,528,423

Included under trading costs, above, are £7,590 (2021: £7,228) of fees paid to the auditor of the subsidiary's financial statements of which £5,160 (2021: £4,914) were for audit services.

6. Staff costs

	Trust and Subsidiary	
	2022 £	2021 £
Staff costs		
Wages and salaries	799,454	901,122
Social security costs	64,520	68,208
Pension costs	14,497	15,502
	878,471	984,832

The Swanage Railway Company Limited had 37 (2021: 36) employees at the year end, excluding directors. All staff members are employed by Swanage Railway Company Limited.

None of the directors of The Swanage Railway Trust or Company received any remuneration for their services. Expenses were reimbursed to the directors during the year for out of pocket expenses incurred in accordance with their duties as directors. During the year ended 31 January 2022, two trustees were reimbursed amounts totalling £30 (2021: £209) for travel expenses.

Key Management Personnel salaries for the year to 31 January 2022 was £224,006 (2021: £258,632).

The Swanage Railway Trust and the Swanage Railway Company Limited are both heavily reliant on volunteer staff in all areas of their activities.

There were no employees with emoluments above £60,000 in the Swanage Railway Company or Swanage Railway Trust.

The Swanage Railway Trust
Notes to the Consolidated Accounts
For the Year Ended 31 January 2022

7. Tangible fixed assets

	Subsidiary				Permanent Way and Assets	Other Assets Construction	Total Company	Trust					Total
	Land and Buildings	Heritage Assets	Plant Machinery Equipment	Shop and Fittings and Equipment				Freehold Land	Land Buildings	Heritage Assets	Plant Machinery Equipment	Assets Under Construction	
Cost	£	£	£	£	£	£	£	£	£	£	£	£	£
At 1 Feb 2021	920,378	1,033,134	1,098,582	3,387	1,879,447	919,602	5,854,530	30,000	144,465	832,701	29,898	3,885	1,040,949
Additions	-	-	7,030	-	17,388	42,360	66,778	-	-	154,696	4,000	-	158,696
Disposals	-	(1,500)	(4,700)	-	-	-	(6,200)	-	-	-	-	-	-
Reclassification	(8,991)	-	-	-	8,992	(45,648)	(45,647)	-	-	(350)	-	-	(350)
As 31 Jan 2022	911,387	1,031,634	1,100,912	3,387	1,905,827	916,314	5,869,461	30,000	144,465	987,047	33,898	3,885	1,199,295
Depreciation													
At 1 Feb 2021	342,993	-	660,580	3,259	400,005	-	1,406,837	-	30,005	-	28,754	-	58,759
Charge for the year	36,249	-	86,766	26	37,192	-	160,233	-	6,726	-	957	-	7,683
Eliminated on disposal	-	-	(2,193)	-	-	-	(2,193)	-	-	-	-	-	-
At 31 Jan 2022	379,242	-	745,153	3,285	437,197	-	1,564,877	-	36,731	-	29,711	-	66,442
Net Book Value													
At 31 Jan 2022	532,145	1,031,634	355,759	102	1,468,630	916,314	4,304,584	30,000	107,734	987,047	4,187	3,885	1,132,853
At 31 Jan 2021	577,385	1,033,134	438,002	128	1,479,442	919,602	4,447,693	30,000	114,460	832,701	1,144	3,885	982,190
													5,437,437
													5,429,883

Heritage Assets are all included at historical cost.

The Swanage Railway Trust
Notes to the Consolidated Accounts
For the Year Ended 31 January 2022

7. Tangible fixed assets (Continued)

The group continues to acquire new heritage assets in accordance with its acquisitions policy. In the last five years, acquisitions have been made as follows:

Heritage Assets	2022	2021	2020	2019	2018
	£	£	£	£	£
Additions - Funded	154,696.00	245,000	212,067	201,508	200,222
Additions - Donated	-	-	-	-	-
Disposals (net book value)	(1,500)	(250)	(32,500)	(181,533)	-
Proceeds from disposals	-	-	-	34,000	-
Impairment to Heritage assets	(350)	(37,003)	-	-	-

8. INVESTMENT IN THE SWANAGE RAILWAY COMPANY LIMITED (company number 01412568)

The Trust discharges part of its charitable objectives through its subsidiary, the Swanage Railway Company Limited, which operates the Swanage Railway and undertakes the associated trading activities.

The share structure of the Swanage Railway Company Limited is such that The Swanage Railway Trust is the only shareholder who can hold voting shares in the Company. The effect of this structure is that The Swanage Railway Trust controls the Swanage Railway Company Limited. The trust owns 96% of the issued share capital of The Swanage Railway Company Limited.

An extract of the subsidiary's income statement is in note 2 to these accounts.

An extract from the Balance Sheet of the Swanage Railway Company Limited at 31 January 2022 is as follows:-

	2022	2021
	£	£
Fixed assets	4,304,585	4,447,694
Current assets	656,003	416,785
Current liabilities	(603,854)	(1,029,718)
Total assets less current liabilities	4,356,734	3,834,761
Creditors due in more than one year	(2,624,698)	(2,702,435)
Provisions for liabilities	(142,403)	-
	1,589,633	1,132,326
Called up share capital - owned by trust see page 18	470,605	470,605
Called up share capital - owned by members	16,358	16,358
Revaluation reserve	371,202	371,202
Profit and loss account	731,468	274,161
	1,589,633	1,132,326

The Swanage Railway Trust
Notes to the Consolidated Accounts
For the Year Ended 31 January 2022

9. INVESTMENTS IN LISTED ENTITIES

	£
Market value at 1 February 2021	3,540
Additions	-
Disposals	-
Net investment (losses)/gains	1,046
Market value at 31 January 2022	<u>4,586</u>

10. STOCKS

	Trust and Subsidiary		Trust	
	2022	2021	2022	2021
	£	£	£	£
Shop stocks for resale	21,314	34,423	-	-
Catering stock	3,763	3,673	-	-
Consumable stocks	44,582	47,134	-	-
Special events stock	3,488	5,984	-	-
Driver experience	90	90	-	-
	<u>73,237</u>	<u>91,304</u>	<u>-</u>	<u>-</u>

11. DEBTORS AND PREPAYMENTS

	Trust and Subsidiary		Trust	
	2022	2021	2022	2021
	£	£	£	£
Trade debtors	18,405	17,890	26	22
Loan to the Swanage Railway Company Limited	-	-	135,719	593,788
Other debtors	69,435	206,927	34,000	189,702
Prepayments and accrued income	14,943	21,090	2,877	16,369
	<u>102,783</u>	<u>245,907</u>	<u>172,622</u>	<u>799,881</u>

The total amount outstanding on the Winter Loan from Swanage Railway Trust Limited to Swanage Railway Company Limited at 31 January 2022 was £nil (2021: £450,000).

Interest is charged at 1.5% above the banks base lending rate and the amount of interest charged in the year was £6,534 (2021 - £8,068).

At 31 January 2022, there was an other debtor of £135,719 (2021: £135,719) due from Swanage Railway Company Limited to Swanage Railway Trust.

The Swanage Railway Trust
Notes to the Consolidated Accounts
For the Year Ended 31 January 2022

12. CREDITORS AND ACCRUALS

	Trust and Subsidiary		Trust	
	2022	2021	2022	2021
	£	£	£	£
Due within one year				
Trade creditors	191,663	129,387	149,856	77,185
Taxation and social security	19,996	16,176	-	-
Bank loans	54,167	-	-	-
Members loans	5,000	-	5,000	-
Life membership equalisation account	10,000	9,966	10,000	9,966
Other creditors, accruals, deferred income	248,848	285,519	49,257	41,888
	<u>529,674</u>	<u>441,048</u>	<u>214,113</u>	<u>129,039</u>

Deferred income relates to ticket sales in advance for events taking place after the year end.

	Trust and Subsidiary		Trust	
	2022	2021	2022	2021
	£	£	£	£
Due more than one year				
Members Loans	3,000	8,000	3,000	8,000
Bank loans	195,833	150,000	-	-
Life membership equalisation account	47,858	51,892	47,858	51,892
Other creditors and accruals	88,018	89,032	2,218	3,232
	<u>334,709</u>	<u>298,924</u>	<u>53,076</u>	<u>63,124</u>

13. LIFE MEMBERSHIP

LifeTime membership subscriptions are credited to the accounts and released over ten years.

The movements during the year were:-

	2022	2021
	£	£
Ordinary Life, Lifetime Travel and Premier Life Memberships brought forward	61,858	60,028
New memberships in the year	6,000	13,000
Premier life memberships released over 10 years	-	(3,540)
Life member subscriptions released over 10 years	(10,000)	(7,630)
Balance of life memberships at close of year	<u>57,858</u>	<u>61,858</u>
Shown in:-		
Creditors under 1 year	10,000	9,966
Creditors over 1 year	<u>47,858</u>	<u>51,892</u>
	<u>57,858</u>	<u>61,858</u>

Both Premier Life Membership and Ordinary Life membership have now closed to new applicants. The Life Time Travel Membership continues.

The Swanage Railway Trust
Notes to the Consolidated Accounts
For the Year Ended 31 January 2022

14. FUNDS

The balance of the unrestricted fund may be reconciled as follows:-

	Opening balance at 1 February 2021 £	Incoming Resources £	Expenditure £	Transfers £	Gains/ (losses) on revaluation £	Closing balance at 31 January 2022 £
General funds - Charity	1,800,383	327,518	(383,088)	(216,980)	1,046	1,528,879
Designated funds for;						
Restoration	67,406	12,195	(9,951)	-	-	69,650
Other capital expenditure	89,552	-	(2,098)	(23,147)	-	64,307
Other projects	69,337	-	(532)	-	-	68,805
4TC designated	18,323	-	-	-	-	18,323
T3 Restoration	23,052	-	-	95,000	-	118,052
Carriage shed	112,478	-	-	95,127	-	207,605
Strategic reserves	-	-	-	50,000	-	50,000
Total designated	380,148	12,195	(12,581)	216,980	-	596,742
Restricted funds;						
Museum Group	131,692	37,962	(17,427)	-	-	152,227
Swanage 4TC Group	222,277	18,435	(1,575)	-	-	239,137
T3 Restoration	219,555	87,468	(1,447)	-	-	305,576
Carriage shed	-	77,107	(589)	-	-	76,518
Total restricted	573,524	220,972	(21,038)	-	-	773,458
Total Charity Funds	2,754,055	560,685	(416,707)	-	1,046	2,899,079
 General funds - Company	 2,881,078	 2,817,077	 (2,454,689)	 -	 -	 3,243,467
Revaluation reserve	371,202	-	-	-	-	371,202
Total - Consolidated	6,006,335	3,377,762	(2,871,396)	-	1,046	6,513,748

The Swanage Railway Trust
Notes to the Consolidated Accounts
For the Year Ended 31 January 2022

14. FUNDS - comparative note

The balance of the unrestricted fund may be reconciled as follows:-

	Opening balance at 1 February 2020 £	Incoming Resources £	Expenditure £	Transfers £	Gains/ (losses) on revaluation £	Closing balance at 31 January 2021 £
General funds - Charity	1,543,986	776,191	(446,864)	(70,051)	(2,879)	1,800,383
Designated funds for;						
Restoration	43,871	21,300	(4,029)	6,264	-	67,406
Other capital expenditure	32,052	2,500	(600)	55,600	-	89,552
Other projects	84,591	-	(14,441)	(813)	-	69,337
4TC designated	9,323	-	-	9,000	-	18,323
T3 Restoration	23,052	-	-	-	-	23,052
Carriage shed	153,250	-	(40,772)	-	-	112,478
Total designated	346,139	23,800	(59,842)	70,051	-	380,148
Restricted funds;						
Museum Group	172,225	8,830	(49,363)	-	-	131,692
Swanage 4TC Group	205,571	16,738	(32)	-	-	222,277
T3 Restoration	174,338	45,491	(274)	-	-	219,555
Carriage shed	2,468	21,239	(23,707)	-	-	-
Total restricted	554,602	92,298	(73,376)	-	-	573,524
Total Charity Funds	2,444,727	892,289	(580,082)	-	(2,879)	2,754,055
General funds - Company	4,398,509	1,215,876	(2,733,307)	-	-	2,881,078
Revaluation reserve	371,202	-	-	-	-	371,202
Total - Consolidated	7,214,438	2,108,165	(3,313,389)	-	(2,879)	6,006,335

The designated funds for purposes as described above are designated and reviewed annually by the Council of Management. Incoming resources are received into the general fund and are subsequently reallocated to the designated funds at the discretion of the directors.

The revaluation reserve is in respect of Heritage Assets and Listed Fixed Asset Investments.

Included within general funds is £16,378 of share capital representing non voting shares in Swanage Railway Company Limited which are owned by members of the company. The funds raised on issue of the shares were included in unrestricted income and are not due back to shareholders. Minority shareholders have no entitlement to profit.

Transfers have been made from restricted funds to general funds to account for grants that have been fully expended on fixed assets in line with the restriction. The original restriction is therefore released on these funds.

The purpose of each of the restricted funds is as follows:-

- Museum Group –donations towards the upkeep and development of the Museums at Norden and Corfe
- The Swanage 4TC Group – fundraising for and restoration of a 4TC unit to be based at Swanage to provide a push-pull set working with a Class 33/1 diesel electric locomotive
- Project Wareham Appeal – to raise funds to launch mainline services

The Swanage Railway Trust
Notes to the Consolidated Accounts
For the Year Ended 31 January 2022

15. RECONCILIATION OF TOTAL FUNDS TO NET ASSETS

	Fixed Assets	Bank	Current Assets	Creditors <1year	Creditors >1year	Total
	£	£	£	£	£	£
General funds	4,410,532	1,004,954	175,888	(485,196)	(334,709)	4,771,469
Designated funds	9,837	586,905	-	-	-	596,742
Restricted funds	650,452	310,632	132	(186,881)	-	773,458
Revaluation	371,202	-	-	-	-	371,202
	<u>5,442,023</u>	<u>1,902,491</u>	<u>176,020</u>	<u>(672,077)</u>	<u>(334,709)</u>	<u>6,513,748</u>

15. RECONCILIATION OF TOTAL FUNDS TO NET ASSETS - comparative

	Fixed Assets	Bank	Assets	Liabilities	Total
	£	£	£	£	£
General funds	4,789,253	318,111	308,903	(734,807)	4,681,460
Designated funds	-	380,149	-	-	380,149
Restricted funds	272,968	277,413	28,308	(5,165)	573,524
Revaluation	371,202	-	-	-	371,202
	<u>5,433,423</u>	<u>975,673</u>	<u>337,211</u>	<u>(739,972)</u>	<u>6,006,335</u>

16. FINANCIAL COMMITMENTS

The group is committed to paying the following remaining lease payments on non-cancellable operating leases;

	Trust and Subsidiary		Trust	
	2022	2021	2022	2021
	£	£	£	£
Lease expiring				
-in under 1 year	296,501	420,953	-	22,757
-after 1 year but within 5 years	1,482,505	1,270,642	-	-
-after 5 years	5,375,087	6,122,089	-	-
	<u>7,154,093</u>	<u>7,813,684</u>	<u>-</u>	<u>22,757</u>

Locomotive hire agreements

a) The Swanage Railway Trust's trading subsidiary, Swanage Railway Company Limited, utilises the motive power and engineering support provided by Southern Locomotives Engineering Limited for which there is an agreement under which Swanage Railway Company Limited pays a fixed amount each year. As detailed in Note 17, a number of the directors of The Swanage Railway Trust and the directors of the trading subsidiary are also shareholders in Southern Locomotives Limited, the holding company of Southern Locomotives Engineering Limited.

**The Swanage Railway Trust
Notes to the Consolidated Accounts
For the Year Ended 31 January 2022**

16. FINANCIAL COMMITMENTS - continued

The amount billed in respect of the year to the trading subsidiary by Southern Locomotives Hire Limited was £97,068 (2021 - £61,947). At the year end, an amount of £nil (2021: £3,960) was owed to Southern Locomotives Hire Limited.

b) The Swanage Railway Trust's trading subsidiary, Swanage Railway Company Limited, utilised the locomotive power provided by JMB Locomotive Services. The amount invoiced by JMB Locomotive Services to the trading subsidiary for the supply of motive power in respect of the year was £78,000 (2021: £85,800). A total of £9,360 was the outstanding balance at the year end (2021: £nil).

17. PROVISIONS FOR DEFERRED TAXATION

The Swanage Railway Company, the subsidiary of The Swanage Railway Trust produced a net profit before taxation of £599,710 for the year ending 31 January 2022.

A deferred tax liability of £142,403 has been calculated as a result of timing differences and has been accounted for as a liability in the Company's entity level accounts. The calculation has been disclosed in the Company's accounts for the year ended 31 January 2022, a copy of the Swanage Railway Company Limited's financial statements are publicly available from Companies House.

18. CONTINGENT LIABILITIES

The group have received insurance monies, into The Swanage Railway Company, in relation to the damage insured to Skew Arch bridge and there is an intention to make the necessary repairs.

19. RELATED PARTY TRANSACTIONS

Swanage Railway Company Limited is a 96% owned subsidiary of Swanage Railway Trust.

The total amount outstanding on loans made to the company by Swanage Railway Trust at 31 January 2022 was £135,719 (2021: £593,788).

Interest is charged on the above loans at 1.5% above the Bank of England base rate. Interest charged in the year to 31 January 2022 was £6,534 (2021: £8,068).

Six Trustees of the Swanage Railway Trust have a shareholding in the parent of a Locomotives group which Swanage Railway group use as a supplier. During the year ended 31 January 2022, Swanage Railway Company (a subsidiary of Swanage Railway Trust) made payments totalling £97,068 (2021: £61,947) to this supplier and there were no amounts outstanding at the year end (2021: £3,960). These transactions were made with Swanage Railway Company, a member of the group.

Trustees donated amounts totalling £1,225 (2021: £140) of which £225 was donated towards the 4TC appeal. The remaining donations were without conditions.

THE SWANAGE RAILWAY TRUST

England & Wales - Charity number 1087318

Accounts

REGISTERED COMPANY NUMBER: 04115126 (England and Wales)
REGISTERED CHARITY NUMBER: 1087318

The Swanage Railway Trust
(A Company Limited by Guarantee)
Consolidated Accounts
For the year ended 31 January 2021

The Swanage Railway Trust
For the Year Ended 31 January 2021

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The Swanage Railway Trust
Charity information

COMPANY REGISTRATION NO: 4115126

CHARITY NO: 1087318

COMPANY SECRETARY: M R Woolley

REGISTERED OFFICE: Station House
Swanage
Dorset, BH19 1HB

DIRECTORS AND TRUSTEES
(Collectively known as the
Council of Management)

G C Johns (Chairman)
E M Sellen (Deputy Chairman)
M R Woolley (Secretary)
A L Moore (Treasurer)
R Coldham
N S C Coram
P N Sills
T J Parsons
W S Trite
S I Magnus (Resigned Oct 2019)
M A Whitwam
D Bennett
G W Carter
S J Williams
W Sheret (Appointed Nov 2020)

PROFESSIONAL ADVISERS

BANKERS

Barclays Bank Plc
Barclays House
Wimborne Road
Poole
Dorset BH15 2BB

AUDITORS

Ward Goodman Audit Services Limited
4 Cedar Park, Cobham Road
Ferndown Industrial Estate
Wimborne
BH21 7SF

**The Swanage Railway Trust
Chairman's Strategic Report
For the Year Ended 31 January 2021**

We can place the year ended 31 January 2021 as a year without parallel. The immediacy and devastating impact of the pandemic has hit our people and trading ability hard.

It is important to remember that our success is wholly dependent on the people who support our endeavours. Every one of us will have been affected in varying ways by the pandemic. I would like to express our condolences if you have lost a relative or friend to Covid-19; have suffered as a result of contracting the virus or have had anxiety or other problems because of the impact. These have been difficult times for all, from which it will take time to recover, but the encouraging prospects are there for a gradual return to normal.

Although we approached 2020 after a successful 2019 season, bolstered by the early appearance of Flying Scotsman, the signs were there that corrective action was needed to address the increasing imbalance between our costs and income.

The impact of covid has strongly emphasised the need to urgently address that imbalance and to move quickly to a more sustainable footing whereby the SRC can trade profitably and generate sufficient to maintain its assets and in collaboration with the SRT who will raising grants to support the ongoing development of the Railway and the achievement of its strategic aims.

Elsewhere you will read of the plans that had to be put in hand to ensure survival in 2020 and to lay the groundwork for 2021. We can note here though that the Railway had to move very quickly to take advantage of the full range of support that the Government or Dorset Council offered. We also enjoyed considerable support from suppliers, most noticeably those from whom we lease our locomotives. Another notable, and vital area was the success of our fundraising Save Our Service appeal which topped its target of £360,000.

Restrictions relaxed enough as the year progressed to allow train services to resume in July, running until November and then for a seasonal spell in December when a new and timely "Steam and lights" production in place of our Santa Trains operated. This new service, much appreciated by our customers, did much to lift the gloom and our finances.

The published accounts are evidence themselves of the difficulties we faced last year.

To all those individuals and organisations who helped us through the year I must express my sincere thanks.

There were though in the process some difficult choices that had to be made to address costs. These included the redundancy of eight posts across the Railway. In other areas costs were cut as much as possible whilst carefully maintaining the Railway's ability to provide safe services.

Looking back the year was marked by a fast changing, and unpredictable pandemic and equally fast changing restrictions that made trading safely a challenge. That we were able to rise to this challenge is a great reflection on the willingness of our staff to act flexibly. That we were able to do so shows that we have the capability to address the challenges of future years. We have learned a lot in the process but can now confidently apply it in the future.

**The Swanage Railway Trust
Chairman's Strategic Report
For the Year Ended 31 January 2021**

Some well laid plans though did not fare as well. Progress with the carriage shed at Herston, initially stymied by the weather on site, was then postponed until the financial position becomes more certain. Progress on delivering our own Wareham service was also postponed in part because of our reduced ability to finance the initial costs of operating, but also because the capacity on the train would be so significantly reduced - because of social distancing - that the economics were seriously challenged. Notwithstanding that, the pandemic's impact on South Western Railway's passengers and services meant that the service will have to wait for better times.

Looking forward, the pandemic caused a pause in our plans and it provided the opportunity to re-set our costs, reducing them by 30%. 2021 will still see the need to manage the residual impacts of the pandemic as the Government's road map to lift restrictions is worked through. Our business structure with a high proportion of fixed costs remains vulnerable to small shifts in our market. The risks remain due to the pandemic restrictions that require careful and constant management. The early steps in the Government's road map have been met enabling trading from April, augmented by other activities in May. We wait to see how summer unfolds and whether restrictions will give us sufficient flexibility to be able to maximise our trading potential this year and for us to plan for the year ahead.

We plan to resume works paused last year once we get a strong indication of this summer's trading potential. Our fundraising focus switched to supporting the carriage shed work in anticipation that work will resume this autumn. We are proceeding with regulatory and commercial agreements for the Wareham services in expectation of operating next year.

Work progresses with the overhaul and return to steam of the T3 locomotive. The team are focused on fundraising to complete the final stages of the overhaul over the next year or so. I am hopeful that this elegant locomotive will soon be a fine sight on our line.

Strategically there are some big issues to address.

I mentioned early on the need to re-balance our financial position. It is easy to state that we need to become sustainable, but to achieve that needs a plan and work is now in hand to prepare a medium term trading and financial strategy that can achieve that. This plan will need to develop the Railway's trading base not only seeking to increase fare income but to increase income from secondary activities. On the expenditure side we will need to balance future service demands with the need to increase investment in maintaining our assets.

We remain committed to the Governance Review. However the Trustees took a decision earlier this year to delay any significant structural alterations until we are clear of the impact of Covid. We will come back to the plan to merge the SRT and SRC at a later date, but for the time being our resources need to focus on this year's operation as a priority. We will though continue with work that does not require structural changes to ensure compliance with the Charity Commission's guidelines and other regulatory needs. This work looks at processes, policies and procedures that do not require structural changes, but should the work identify any necessary alterations to our Memorandum of Association they will be brought forward for Member consideration in the normal way.

**The Swanage Railway Trust
Chairman's Strategic Report
For the Year Ended 31 January 2021**

Delivery of the Wareham service remains a priority. We have an unfulfilled commitment with our stakeholder, Dorset Council, to provide a 90 day service. We intend to do that when conditions are right. Our successful bid for our future development plans to be considered under the Government's 'Restore Your Railway' programme provide the opportunity to work through significant issues around the service and its interface with our heritage operations, which we expect will set the ground work for the future. We aim for an enhanced seasonal service, supporting the need to get road use reduced in the congested summer months. During this year we will complete the Strategic Outline Business Case for the Government to review and decide on the next steps.

Climate change and the role that rail generally and the Swanage Railway can play in addressing climate change is increasingly coming to the fore. We have prepared a preliminary plan to reduce our carbon footprint and these actions will start to be implemented. In addition a lead Trustee for this important activity has been appointed. This is not an issue we can completely tackle on our own. We also need to work with heritage railway partners to source cost effective coal especially as UK production ceases, evaluate alternatives to coal and undertake further work to manage emissions. Ironically given what we use to power the railway we are unlikely to ever be fossil fuel free, we can though aim to be carbon neutral whilst providing the significant benefits of reduced road usage, economic stimulus in Purbeck and wellbeing opportunities for our volunteers. Our story is complex and we will make efforts to communicate it so that the Railway can show how it is playing its part.

There is no doubt in my mind that our characterful line, lying in the heart of Purbeck with its fine prospects, is worth fighting for.

On behalf of the Trustees, can I thank you for your ongoing support.



G C Johns
Chairman
Swanage Railway Trust

**The Swanage Railway Trust
Directors Report
For the Year Ended 31 January 2021**

The directors are pleased to present their report together with the consolidated financial statements of the charity and its subsidiary company for the year ended 31 January 2021.

STRUCTURE, GOVERNANCE AND MANAGEMENT

CONSTITUTION

The Swanage Railway Trust is a company limited by guarantee and a registered charity governed by its Memorandum and Articles of Association. Its Charity Number is 1087318 and its Company Number is 4115126.

The legal and administrative information set out on page 3 forms part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association, and the Statement of Recommended Practice – Accounting and Reporting by Charities (SORP FRS 102).

MANAGEMENT

The Swanage Railway Trust has a single management body, the Board of Directors (also known as the Council of Management), elected by the members for a two year period. Fifty percent of the directors are required to retire by rotation each year at the Trust's Annual General Meetings.

The Council of Management delegate day to day responsibilities of managing the Railway to The Swanage Railway Company's Senior Management Team, overseen by the Board. The Directors consider the following people to be part of Key Management.

Directors;

Andrew Moore (Director)
Kevin Potts (Director)
Elizabeth Sellen (Director)
Mark Woolley (Director)
Gavin Johns (Director)
Keith Usher (Director)
Nathan Au (Director)
Trevor Parsons (Director)

Senior Managers;

David Rawsthorn (Head of Sales and Marketing) (Resigned Oct 2020)
Lorna Lock (Finance and Payroll Manager)
James Cox (Locomotive Carriage & Wagon Manager)
Peter Harris (Operations Manager) (Resigned Feb 2020)
Ashley Haines (Operations Manager)(Appointed Apr 2020)
Martin Trott (Passenger Services Manager)
Barry Light (Permanent Way Manager)
Barry Osgood (Health and Safety Manager)
Graham Froud (Steam Locomotive Superintendent)
Christopher Morgan (Museums Manager) (Resigned Oct 2020)
Jon Bridgland (Business Development Manager) (Resigned Dec 2020)

**The Swanage Railway Trust
Directors Report
For the Year Ended 31 January 2021**

Key Management Personnel are employed by the Swanage Railway Company and are remunerated in accordance with the pay structures established by its Directors who act with the authority delegated by the Council of Management.

DIRECTORS MEETINGS

The Council of Management meets 11 times a year.

DIRECTOR INDUCTION AND TRAINING

The directors of the charitable company are the trustees for the purpose of charity law and throughout this report are referred to as the directors.

The Directors of the Trust are elected by the membership of the Trust or, in the case of the Secretary and Treasurer, can be appointed ex-officio in order to ensure that the Board has suitably experienced persons in these positions. All Directors of the Trust are members of the Trust and as such are familiar with the overall goals of the Trust. A formal review of the Trust policies is held annually at the meeting following elections to ensure that these remain appropriate and that the new Directors are familiar with them.

The Swanage Railway Trust provides a briefing pack to members considering standing for election to the Council of Management. This pack includes, inter-alia, a copy of the Trust's Articles of Association, a copy of the Trust's formal policies and a copy of CC3 – The Charity Commission's guide for new Trust Directors. Successful candidates are asked to confirm receipt of these in writing and that they understand the information contained therein. Any changes to the guidance issued by the Charity Commission will be considered by the appropriate director, and where necessary, discussed at a meeting of the Council of Management.

OBJECTIVES AND ACTIVITIES

The objectives of the Swanage Railway Trust, as set down in its Memorandum of Association, is to study, compile records on and acquire, restore, preserve and maintain railway lines, locomotives, rolling stock and other items of railway interest, and to provide training and instruction in such activities and in particular but without prejudice to the generality of the foregoing those associated with the Isle of Purbeck, the former London and South Western Railway, other Railways which were in existence in Southern England during and before the year of nineteen hundred and twenty-three, the Southern Railway, and the Southern Region of British Railways, and to enter in such agreements and to take all such steps as may be necessary for these purposes, and to organise, sponsor and support displays and such other shows and events for the provision and stimulation of information, education and interest in such vehicles and other items of railway interest.

The Board use annual passenger numbers on the railway to measure the performance of the Group.

A review of business describing how objectives and activities have been achieved in the current year has been included in the Chairman's Strategic Report which starts on page 4.

**The Swanage Railway Trust
Directors Report
For the Year Ended 31 January 2021**

PUBLIC BENEFIT

The directors have given due regards to the requirement of the Charity Commission with respect to public benefit.

RISK MANAGEMENT

The directors have considered the major risks that the Swanage Railway Trust and its trading subsidiary face when developing strategies and strategic plans for the future. The major risks are lack of funding to prevent the Trust from achieving its objectives and operational issues for the trading subsidiary which will be enhanced in the future with operations to and from the main line. These risks may cause a delay in the Trust achieving its objectives or curtail the operations of the trading subsidiary. Where appropriate, directors obtain the assistance of experts in the various areas that are a risk to the Trust or its trading subsidiary.

RELATED PARTIES

The charity acknowledges a relationship with:-

The Swanage Railway Company Limited
Southern Locomotives Hire Ltd
Southern Locomotives Engineering Limited
71A Locomotive Ltd
Class 33/1 Preservation Co. Ltd
JMB Locomotive Services

The Swanage Railway Trust holds a controlling interest in the Swanage Railway Company Limited, which assists the Trust in meeting its objectives by operating the Swanage Railway and undertaking the associated trading activities. Whilst the company has a paid staff it is still heavily dependent on the supply of volunteers by the Trust for the operation of its train services and the maintenance and development of the railway.

A number of the directors of the Swanage Railway Trust are also directors of the Swanage Railway Company Limited. It is current Trust policy that the majority of voting Directors of the Swanage Railway Company are also Directors of the Swanage Railway Trust.

VOLUNTEERS

The charity is heavily dependent on the volunteers who perform many different tasks to assist with the management, administration, maintenance and operation of the railway.

FUNDRAISING STANDARDS INFORMATION

The charity does not use professional fundraisers or direct mail. Members receive regular communication through the magazine and appeal information is on the charity's website. The trustees are satisfied that there is no undue pressure on members of the public to donate to The Swanage Railway Trust.

**The Swanage Railway Trust
Directors Report
For the Year Ended 31 January 2021**

FINANCIAL REVIEW

The level of consolidated income has decreased largely because of the reduction of capital grants from outside organisations which were made to the trading subsidiary as those projects near completion although this is matched by a decrease in capital and revenue expenditure. Legacy income in the Trust was also substantially greater this year. The Trust has continued to make grants to the Swanage Railway Company Limited for the restoration and construction of railway buildings, track maintenance, locomotives and rolling stock which are part of the objectives of the Trust.

Consolidated funds total £6,006,335 at 31 January 2021 (2020 - £7,214,438). There is a requirement for a high level of reserves given the substantial investment by the Trust and its subsidiary in fixed assets.

RESERVES POLICY

The Group has a requirement for a high level of reserves due to its large investment in fixed assets and its trading subsidiary and for setting aside resources for future projects.

Where funds have been raised for specific projects, the Group maintains separate funds either as designated or restricted funds – see notes 14 and 15.

The available reserves of the Group are as follows:

Total consolidated funds at 31 January 2021	6,006,335
Less:-	
- Tangible Fixed assets	5,429,883
- Fixed asset investments	3,540
- Restricted funds held in bank balances	277,413
- Designated funds	380,149
	(84,650)

Free reserves are calculated by deducting fixed assets from the unrestricted (and undesignated) reserves held at the year-end. The trustees are able to undesignate reserves if required.

Funds in relation to fixed assets would only be released on the sale of those assets.

The Group will continue to invest in fixed assets and locomotive overhaul in 2021 although at much lower levels than in previous years due to the completion of Project Wareham.

The Directors review the finances of the Trust and its Subsidiary each month at the Council of Management meetings.

**The Swanage Railway Trust
Directors Report
For the Year Ended 31 January 2021**

FUTURE PLANS

The Group intends to use its strategic objectives to utilise its resources and to develop its museum facilities and collections and to restore further items of equipment appropriate to its need for use on the Swanage Railway.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the consolidated financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the directors 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 the group and of the incoming resources and application of resources, including income and expenditure of the charitable company and the group for that period. In preparing these financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgments and estimates that are reasonable and prudent;
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charitable group will continue in business.

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.

**The Swanage Railway Trust
Directors Report
For the Year Ended 31 January 2021**

In so far as the directors are aware:

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

The auditors, Ward Goodman, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by Order of the Directors



**M R Woolley
Company Secretary**

Date 24/6/2021

**Report of the Independent Auditors of
The Swanage Railway Trust
For the Year Ended 31 January 2021**

Opinion

We have audited the consolidated financial statements of The Swanage Railway Trust (the parent company and its trading subsidiary, together 'the group') for the year ended 31 January 2021 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets and the consolidated statement of cashflows and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 January 2021 and of the group's and parent charitable company's incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the group and the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the director's' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Report of the Independent Auditors of
The Swanage Railway Trust
For the Year Ended 31 January 2021**

Key Audit Matters

The company has re-opened since the year end inline with the national and local restrictions , allowing for some much needed revenues to be gained.

The impact of Covid-19 on the UK has been significant and inline with all UK businesses, the Swanage Railway Group has taken steps to address the issues arising from the Pandemic.

As the national lockdowns were imposed the railway was unable to open and was forced to cease operations under the Government guidelines. Throughout their busiest season the railway was only able to open for a short few weeks, causing serious financial implications.

As at 31 January 2021 the Group had made a loss of £1.2m and had net current assets.

The Group made use of the Government backed measures. During the year the subsidiary Company undertook a CIBLs loan of £150k and has increased the loan to £250k since the 31 January 2021 year end. The company also used the Coronavirus job retention scheme and furloughed the majority of staff. A handful of employees remained working to keep the core functions of the group running, throughout the year, many returning since the year end.

There is a significant impairment to Assets Under Construction that increases the loss for the year by £969,493. The treatment is inline with the accounting policy as stated in notes 1.9 and 7.

We were able to complete our full audit on site with restricted measures in place, in line with government guidelines.

We can conclude there are no other key matters associated with this audit.

Other information

The trustees and directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Report of the Independent Auditors of
The Swanage Railway Trust
For the Year Ended 31 January 2021**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Statement of Director's Responsibilities set out on page eleven, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities including fraud. The extent to which are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks applicable to the Group and the sector in which they operate. We determined that the following laws and regulations were most significant: the Companies Act 2006, the UK Corporate Governance Code, UK corporate taxation laws and UK government Covid-19 support schemes.
- We obtained an understanding of how the Group are complying with those legal and regulatory frameworks by making inquiries to the management. We corroborated our enquiries through our review of board minutes and papers provided to the Committee of Management.
- We assessed the susceptibility Group's financial statements to material misstatement, including how fraud might occur.

**Report of the Independent Auditors of
The Swanage Railway Trust
For the Year Ended 31 January 2021**

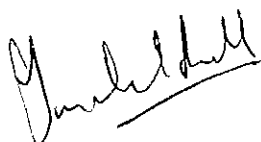
Audit procedures performed by the engagement team included:

- 1) Identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
- 2) Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
- 3) Challenging assumptions and judgments made by management in its significant accounting estimates;
- 4) Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations; and
- 5) Assessing the extent of compliance with the relevant law and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the group and charitable company. Our audit work has been undertaken so that we might state to the group and charitable company those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the group and charitable company as a body, for our audit work, for this report, or for the opinions we have formed.



Ian M Rodd BSc FCA FCCA (Senior Statutory Auditor)
For and on behalf of Ward Goodman Audit Services Limited
Statutory Auditor
4 Cedar Park
Cobham Road
Ferndown Industrial Estate
Wimborne
Dorset
BH21 7SF

Date: 9 July 2021

The Swanage Railway Trust
Consolidated Statement of Financial Activities
For the Year Ended 31 January 2021
(Incorporating the Consolidated Income and Expenditure Account)

	Notes	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Total 2020 £
Incoming Resources					
Voluntary Income:					
Appeals, donations, legacies and covenants		660,444	86,839	747,283	287,834
Grant income		-	5,400	5,400	-
		-	-	-	-
Activities for generating funds:					
Membership subscriptions		38,414	-	38,414	39,945
Fund raising and other income		24,297	-	24,297	36,828
Trading income		996,060	-	996,060	3,450,735
Investment income		984	59	1,043	3,281
Government grants		295,668	-	295,668	-
Total Incoming Resources	2	2,015,867	92,298	2,108,165	3,818,623
Resources Expended					
Cost of generating funds					
Trading expenses		3,091,890	-	3,091,890	3,264,741
Fundraising costs		24,116	-	24,116	9,403
		-	-	-	-
Charitable activities		124,007	73,376	197,383	254,279
Total Resources Expended	5	3,240,013	73,376	3,313,389	3,528,423
Net Incoming Resources		(1,224,146)	18,922	(1,205,224)	290,200
Revaluation adjustment		(2,879)	-	(2,879)	-
Transfers between funds		-	-	-	-
Net movement in funds		(1,227,025)	18,922	(1,208,103)	290,200
Funds at 1 February 2020		6,659,836	554,602	7,214,438	6,924,238
Funds at 31 January 2021	14,15	5,432,811	573,524	6,006,335	7,214,438

The Swanage Railway Trust
Consolidated Balance Sheet
As at 31 January 2021

		2021	2020
		£	£
Fixed Assets	Notes		
Tangible Fixed Assets	7	5,429,883	6,412,517
Fixed asset investments - listed	9	3,540	6,419
Total fixed assets		<u>5,433,423</u>	<u>6,418,936</u>
Current Assets			
Stocks	10	91,304	84,910
Debtors and prepayments	11	245,907	130,626
Cash at bank and in hand		975,673	1,025,125
		<u>1,312,884</u>	<u>1,240,661</u>
Creditors: Amounts falling due within one year			
Creditors and accruals	12	<u>(441,048)</u>	<u>(383,769)</u>
Net Current Assets		871,836	856,892
Total assets less current liabilities		<u>6,305,259</u>	<u>7,275,828</u>
 Creditors: Amounts falling due after more than one year	 12	 (298,924)	 (61,390)
 Net Assets		 <u>6,006,335</u>	 <u>7,214,438</u>
Unrestricted Funds;			
General funds		4,681,461	6,059,419
Designated funds		380,149	406,021
Revaluation funds		371,202	371,202
	14	<u>5,432,811</u>	<u>6,836,642</u>
Restricted funds	14	573,524	377,796
Total funds	15	<u>6,006,335</u>	<u>7,214,438</u>

These financial statements were approved by the directors and authorised for issue on 26/2/2021, and are signed on their behalf by:

A L Moore

A L Moore - Director

G C Johns

G C Johns - Director

The Swanage Railway Trust
Balance Sheet
As at 31 January 2021

	Notes	2021 £	2020 £
Fixed Assets			
Tangible Fixed Assets	7	982,190	954,520
Fixed asset investments - listed	9	3,540	6,419
Investment in subsidiaries	8	470,605	470,605
Total fixed assets		<u>1,456,335</u>	<u>1,431,544</u>
Current Assets			
Stocks	10	-	-
Debtors and prepayments	11	799,881	155,224
Cash at bank and in hand		690,001	973,600
		<u>1,489,882</u>	<u>1,128,824</u>
Creditors: Amounts falling due within one year			
Creditors and accruals	12	(129,039)	(54,251)
Net Current Assets		<u>1,360,843</u>	<u>1,074,573</u>
Total assets less current liabilities		<u>2,817,178</u>	<u>2,506,117</u>
Creditors: Amounts falling due after more than one year	12	(63,124)	(61,390)
Net Assets		<u>2,754,054</u>	<u>2,444,727</u>
Unrestricted Funds;			
General funds		1,800,382	1,660,911
Designated funds		380,149	406,021
Revaluation funds		-	-
	14	<u>2,180,531</u>	<u>2,066,932</u>
Restricted funds	14	<u>573,524</u>	<u>377,795</u>
Total funds	15	<u>2,754,055</u>	<u>2,444,727</u>

These financial statements were approved by the directors and authorised for issue on 26/6 2021, and are signed on their behalf by:

AL Moore

A L Moore - Director

G C Johns
G C Johns - Director

The Swanage Railway Trust
Consolidated Cashflow Statement
For the Year Ended 31 January 2021

	Note	2021 £	2020 £
Net cash flows from operating activities	1	200,232	314,346
Cash flows from investing activities			
Purchase of equipment		(209,323)	(622,182)
Interest received		1,043	3,281
Proceeds from sale of fixed assets		-	59,091
(Gains)/Losses on revaluation of investments		2,879	-
Net cash flows from investing activities		(205,401)	(559,810)
Cash flows from financing activities			
Capital repayment of Hire Purchase leases		(14,415)	(14,804)
New loans in the year		150,000	40,000
Interest paid		(1,800)	(1,962)
Loans repaid		-	-
Net cash flows from financing activities		133,785	23,234
Net increase/(decrease) in cash and cash equivalents		128,617	(222,230)
Cash and cash equivalents at the beginning of the year		1,025,125	1,247,355
Cash and cash equivalents at the end of the year		1,153,742	1,025,125
Reconciliation to cash at bank and in hand:			
Cash at bank and in hand		975,673	1,025,125
Bank overdrafts		-	-
Cash and cash equivalents		975,673	1,025,125

The Swanage Railway Trust
Notes to the Consolidated Cashflow Statement
For the Year Ended 31 January 2021

1 Cash flows from operating activities

	2021	2020
	£	£
Net Surplus/(Deficit)	(1,205,224)	290,200
Adjustment for;		
Depreciation charges	363,282	211,279
(Gains)/Losses on revaluation of investments	(2,879)	-
Investment income	(1,043)	(3,281)
Interest paid	1,800	1,962
Impairment losses	1,006,496	-
(Gain)/loss on disposal of fixed assets	250	(12,311)
Cash flows before movement in working capital	<u>162,682</u>	<u>487,849</u>
(Increase) / Decrease in stock	(6,394)	8,471
(Increase) /Decrease in debtors	(115,281)	18,478
Increase / (Decrease) in creditors	159,226	(200,452)
Cash generated by operations	<u><u>200,232</u></u>	<u><u>314,346</u></u>

**The Swanage Railway Trust
Notes to the Consolidated Accounts
For the Year Ended 31 January 2021**

1. ACCOUNTING POLICIES

1.0 Legal form

The Swanage Railway Trust Limited, a public benefit company under FRS 102, is incorporated as a Company limited by guarantee, registered in England and Wales (company number 4115126). The registered office address is on page 3 of these accounts. The company is also a registered charity in England (charity number 1087318).

The Swanage Railway Company Limited is incorporated as a Company limited by shares, registered in England and Wales (company number 01412568). The registered office address is on page 3 of these accounts.

1.1 Basis of preparation

The Financial statements have been prepared under the historical cost convention as modified by the revaluation of the locomotives and rolling stock and are in accordance with Financial Reporting Standard 102, the Companies Act 2006 and the Charities Accounting Statement of Recommended Practice (SORP FRS 102).

1.2 Basis of Consolidation

The consolidated accounts present the financial statements of The Swanage Railway Trust and its subsidiary the Swanage Railway Company Limited as if they formed a single entity. Intercompany transactions and balances have therefore been eliminated in full.

1.3 Incoming Resources

Membership income:

Annual subscriptions from members are included in full in the year they are received. Life membership subscriptions are credited to the life membership account and from there to income in equal annual instalments over ten years.

Voluntary income and donations:

All voluntary income and donations are accounted for gross when received. Due to the nature of donations and fund raising income the directors have no control over this until received and entered into the records.

Trading income:

Income from the subsidiary trading company is included in the period in which it is generated.

Legacy income:

Legacy income is recognised at the earlier of the charity being notified or the legacy being received.

Government Grants:

Government grants shall be recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate.

The Swanage Railway Trust
Notes to the Consolidated Accounts
For the Year Ended 31 January 2021

1. ACCOUNTING POLICIES - continued

1.4 Resources Expended

All resources expended are classified under activity headings that aggregate all costs related to the category.

- Cost of generating funds comprises the costs of fundraising and trading activities.
- Charitable activities include the costs incurred directly in the fulfillment of the Charity's objectives.
- Governance costs represent those costs of the strategic management of the charity and of complying with constitutional and statutory requirements.

Liabilities are recognised as resources expended once there is a legal or constructive obligation to make a payment to a third party.

All expenditure is included in the Statement of Financial Activities on an accruals basis net of recoverable VAT.

1.5 Operating Leases

Rentals payable under operating leases are charged to the Statement of Financial Activities as incurred over the term of the lease.

1.6 Tangible Fixed Assets

Fixed assets are included at cost or valuation. Expenditure on repairs and renewals and minor items of equipment is written off in the year in which it is incurred.

Freehold land is not depreciated.

1.7 Heritage Assets

Part of the Objectives of the Trust is to acquire, restore, preserve and manage heritage locomotives and rolling stock. These assets are included in the accounts of the Trust at valuation and are not subject to an annual depreciation charge, as in the opinion of the directors the nature of the assets concerned and the level of maintenance is such that there is no significant annual depreciation. Any permanent diminution in the value of such assets is charged to the Consolidated Statement of Financial Activities when recognised in accordance with FRS 102.

Detailed information on the locomotives and rolling stock of the Trust and its subsidiary company can be found at www.swanagerailway.co.uk.

1.8 Infrastructure, plant and equipment

Infrastructure, plant and equipment is stated in the balance sheet at cost less accumulated depreciation.

Depreciation is calculated to write off the cost of the assets concerned on either a straight line basis or a reducing balance basis over their estimated useful lives at the following rates:-

The Swanage Railway Trust
Notes to the Consolidated Accounts
For the Year Ended 31 January 2021

1. ACCOUNTING POLICIES - continued

1.8 Infrastructure, plant and equipment (continued)

Plant and machinery;

Fixtures and fittings, plant and equipment – 20% Reducing balance

Computer equipment – 25% Straight line

Motor vehicles – 10% Straight line

Rolling stock – Not depreciated

Furniture – 20% Straight line

Shop fittings and equipment;

Fixtures and catering equipment – 20% Straight line

Permanent way – 2% Straight line

Buildings and railway structures – 4% Straight line

1.9 Impairment of Fixed assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in the Statement of financial activities as described below.

An Asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, that estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

1.10 Stocks

Stocks are valued at the lower of cost or net realisable value.

1.11 Investments

All investments in locomotive preservation groups are stated at cost.

Investment in the Trust's subsidiary company the Swanage Railway Company Limited is stated at cost.

Investments in listed entities are measured at market value at the year end. The listed investments were gifted to the Trust as part of a legacy in previous years and are held to earn investment income. The Trust has no plans or policies in place for further investment in listed entities.

1.12 Fund accounting

Unrestricted funds are available to use to further any of the purposes of the charity, at the discretion of the trustees.

Designated funds are unrestricted funds of the charity which have been set aside by the trustees to fund particular activities of the charity.

Restricted funds are donated for particular areas of the charity work or specific projects undertaken. Restrictions arise when specified by the donor, by the trust deed or when funds are raised for particular restricted purposes.

The Swanage Railway Trust
Notes to the Consolidated Accounts
For the Year Ended 31 January 2021

1. ACCOUNTING POLICIES - continued

1.13 Financial instruments

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

Basic financial assets;

Basic financial assets, which include trade and other receivables 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 future receipts discounted at a market rate of interest.

Basic financial liabilities;

Basic financial liabilities, including trade and other payables, bank loans, and loans from group companies are initially recognised at transaction price. Financial liabilities due in more than one year are initially measured at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities constituting financing transactions are initially measured at the present value of the future payments discounted at a market rate of interest.

Derecognition of financial assets and liabilities;

Financial assets and liabilities are derecognised when the Group's contractual rights or obligations expire or are discharged, transferred or cancelled.

1.14 Significant judgement and estimates

In the application of the group's accounting policies, which are described above, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

These estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are areas that are considered to be key sources of estimation uncertainty, there are no significant judgements to note.

Useful life and residual values of tangible fixed assets;

The economic useful life of tangible fixed assets and the expected residual value on future disposal is estimated by the Directors based on their knowledge and experience. The total carrying value of fixed assets at 31 January 2021 was £5,429,883

1.15 Finance Leases

Finance leases are measured at the present value of future lease payments and interest is accrued using the sum of digits method.

The Swanage Railway Trust
Notes to the Consolidated Accounts
For the Year Ended 31 January 2021

2. Incoming resources	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total 2021 £	Total 2020 £
Voluntary income (Trust)				
Appeals, donations, legacies and covenants	660,444	86,839	747,283	287,834
Grant income	-	5,400	5,400	-
Membership subscriptions	38,414	-	38,414	39,945
Fundraising and other income	24,297	-	24,297	36,828
Investment income	984	59	1,043	3,281
Total voluntary income from Trust	724,139	92,298	816,437	367,888
Activities for generating funds (Subsidiary Company)				
Heritage passenger fare income	732,096	-	732,096	2,718,382
Wareham fare income	-	-	-	-
Shop income	57,128	-	57,128	181,798
Catering income	17,578	-	17,578	294,275
Driver experience days	4,524	-	4,524	23,680
Other income	122,853	-	122,853	149,792
Insurance claims	-	-	-	-
Revenue grants	61,881	-	61,881	82,808
Government grants	295,668	-	295,668	-
Total income from activities in subsidiary company	1,291,728	-	1,291,728	3,450,735
Total consolidated incoming resources	2,015,867	92,298	2,108,165	3,818,623

The Swanage Railway Trust
Notes to the Consolidated Accounts
For the Year Ended 31 January 2021

3. Subsidiary results

The Trust discharges its charitable objectives through its subsidiary the Swanage Railway Company Limited, a company incorporated in the UK. A summary of the trading results including intergroup trading is set out below. Audited accounts are filed with Companies House.

	2021	2020
	£	£
Turnover	1,216,060	3,437,352
Cost of sales	(466,657)	(1,253,782)
Gross profit	749,403	2,183,570
Administrative expenses	(1,537,457)	(1,966,769)
Operating profit	(788,054)	216,801
Government grants	295,668	
Interest payable	(9,931)	(1,962)
Interest receivable	4,526	12,745
Loss on sale of fixed asset	-	12,311
Less: Profit on ordinary activities	(497,791)	239,895
Retained profit/(loss) for the year	(497,791)	239,895
Net assets	1,132,326	1,630,117

The Swanage Railway Trust
Notes to the Consolidated Accounts
For the Year Ended 31 January 2021

4 Comparative Consolidated Statement of Financial Activities

	Notes	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total 2020 £	2019 £
Incoming Resources					
Voluntary Income:					
Appeals, donations, legacies and covenants		243,693	44,141	287,834	473,740
Grant income		(954)	954	-	-
Activities for generating funds:					
Membership subscriptions		39,945	-	39,945	40,791
Fund raising and other income		36,828	-	36,828	23,791
Trading income		3,450,735	-	3,450,735	2,884,582
Investment income		3,121	160	3,281	2,467
Total Incoming Resources	2	3,773,368	45,255	3,818,623	3,425,371
Resources Expended					
Cost of generating funds					
Trading expenses		3,264,741	-	3,264,741	3,227,083
Fundraising costs		9,403	-	9,403	5,194
Charitable activities		221,122	33,157	254,279	241,007
Total Resources Expended	5	3,495,266	33,157	3,528,423	3,473,284
Net Incoming Resources		278,102	12,098	290,200	(47,913)
Revaluation adjustment		-	-	-	-
Transfers between funds		18,375	(18,375)	-	-
Net movement in funds		296,477	(6,277)	290,200	(47,913)
Funds at 1 January 2019		6,540,165	384,073	6,924,238	6,972,151
Funds at 31 January 2020	14,15	6,836,642	377,796	7,214,438	6,924,238

The Swanage Railway Trust
Notes to the Consolidated Accounts
For the Year Ended 31 January 2021

5. Total Resources Expended

	Premises & railway running costs £	Admin, salaries and other £	Dep'n £	Total 2021 £	Total 2020 £
Charitable Activities:					
Rent	65,764	-	-	65,764	128,347
Rates & utilities	10,587	-	-	10,587	19,181
Printing & stationery	-	33,844	-	33,844	31,443
Repairs & other	6,181	60,652	7,141	73,974	56,570
Auditors remuneration (audit)	-	3,760	-	3,760	3,760
Auditors remuneration (non audit)	-	5,594	-	5,594	4,529
Other legal and professional	-	3,860	-	3,860	10,449
Total charitable activities	82,532	107,710	7,141	197,383	254,279
Costs of generating funds:					
Fundraising costs	-	24,116	-	24,116	9,403
Trading costs (subsidiary only)	804,645	2,109,174	178,071	3,091,890	3,264,741
Total cost of generating funds	804,645	2,133,290	178,071	3,116,006	3,274,144
Total resources expended	887,177	2,241,000	185,212	3,313,389	3,528,423

Included under trading costs, above, are £7,228 of fees paid for the audit of the subsidiary's financial statements.

6. Staff costs

	Trust and Subsidiary	
	2021	2020
	£	£
Staff costs		
Wages and salaries	901,122	1,043,328
Social security costs	68,208	80,001
Pension costs	15,502	16,976
	984,832	1,140,305

The Swanage Railway Company Limited had 36 (2020: 43) employees at the year end, excluding directors. All staff members are employed by Swanage Railway Company Limited.

None of the directors of The Swanage Railway Trust or Company received any remuneration for their services. Expenses were reimbursed to the directors during the year for out of pocket expenses incurred in accordance with their duties as directors.

Key Management Personnel salaries for the year to 31 January 2021 was £258,632 (2020: £253,806).

The Swanage Railway Trust and the Swanage Railway Company Limited are both heavily reliant on volunteer staff in all areas of their activities.

There were no employees with emoluments above £60,000 in the Swanage Railway Company or Swanage Railway Trust.

The Swanage Railway Trust
Notes to the Consolidated Accounts
For the Year Ended 31 January 2021

7. Tangible fixed assets

	Subsidiary						Trust								
	Plant			Permanent			Plant			Machinery and Assets Under					
	Land and Buildings	Heritage Assets	Machinery and Equipment	Shop and Fittings	Equipment	Other Assets	Assets Under Construction	Total Company	Freehold Land	Land Buildings	Heritage Assets	Equipment	Construction	Total Trust	Total
Cost	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
At 1 Feb 2020	911,387	788,134	1,096,333	3,387	1,809,860	2,077,663		6,686,765	30,000	144,465	797,889	29,898	3,885	1,006,137	7,692,902
Additions	8,991	-	2,249	-	-	126,019		137,258	-	-	72,065	-	-	72,065	209,323
Disposals	-	-	-	-	-	-		-	-	-	(250)	-	-	(250)	(250)
Impairments	-	-	-	-	-	(969,493)		(969,493)	-	-	(37,003)	-	-	(37,003)	(1,006,496)
Transfer of completed assets	-	245,000	-	-	69,587	(314,587)		-	-	-	-	-	-	-	-
As 31 Jan 2021	920,378	1,033,134	1,098,582	3,387	1,879,447	919,602		5,854,530	30,000	144,465	832,701	29,898	3,885	1,040,949	6,895,479
Depreciation															
At 1 Feb 2020	306,744	-	556,095	3,085	362,843	-		1,228,766	-	23,340	-	28,277	-	51,617	2,509,150
Charge for the year	36,249	-	104,485	174	37,162	-		178,070	-	6,665	-	477	-	7,142	363,282
Eliminated on disposal	-	-	-	-	-	-		-	-	-	-	-	-	-	-
At 31 Jan 2021	342,993	-	660,580	3,259	400,005	-		1,406,836	-	30,005	-	28,754	-	58,759	2,872,432
Net Book Value															
At 31 Jan 2021	577,385	1,033,134	438,002	128	1,479,442	919,602			30,000	114,460	832,701	1,144	3,885	982,190	5,429,883
At 31 Jan 2020	604,643	788,134	540,238	302	1,447,017	2,077,663			30,000	121,125	797,889	1,621	3,885	954,520	6,412,516

Included in the above carrying amount as at 31 January 2020 £41,867 in respect of assets held under hire purchase agreements, there were no such assets held as at 31 January 2021.

Heritage Assets are all included at historical cost, the revaluation resulted in the reversal of accumulated depreciation.

The Swanage Railway Trust
Notes to the Consolidated Accounts
For the Year Ended 31 January 2021

7. Tangible fixed assets (Continued)

The group continues to acquire new heritage assets in accordance with its acquisitions policy. In the last five years, acquisitions have been made as follows:

Heritage Assets	2021	2020	2019	2018	2016
	£	£	£	£	£
Additions - Funded	245,000	212,067	201,508	200,222	99,801
Additions - Donated	-	-	-	-	30,000
Disposals (net book value)	(250)	(32,500)	181,533	-	-
Proceeds from disposals	-	-	34,000	-	-
Impairment to Heritage assets	(37,003)	-	-	-	-

8. INVESTMENT IN THE SWANAGE RAILWAY COMPANY LIMITED (company number 01412568)

The Trust discharges part of its charitable objectives through its subsidiary, the Swanage Railway Company Limited, which operates the Swanage Railway and undertakes the associated trading activities.

The share structure of the Swanage Railway Company Limited is such that The Swanage Railway Trust is the only shareholder who can hold voting shares in the Company. The effect of this structure is that The Swanage Railway Trust controls the Swanage Railway Company Limited. The trust owns 96% of the issued share capital of The Swanage Railway Company Limited.

An extract of the subsidiary's Income statement is in note 2 to these accounts.

An extract from the Balance Sheet of the Swanage Railway Company Limited at 31 January 2021 is as follows:-

	2021	2020
	£	£
Fixed assets	4,447,694	5,457,998
Current assets	416,785	206,836
Current liabilities	(1,029,718)	(564,351)
Total assets less current liabilities	3,834,761	5,100,483
Creditors due in more than one year	(2,702,435)	(3,470,366)
	<u>1,132,326</u>	<u>1,630,117</u>
Called up share capital - owned by trust see page 18	470,605	470,605
Called up share capital - owned by members	16,358	16,358
Revaluation reserve	371,202	371,202
Profit and loss account	274,161	771,952
	<u>1,132,326</u>	<u>1,630,117</u>

The Swanage Railway Trust
Notes to the Consolidated Accounts
For the Year Ended 31 January 2021

9. INVESTMENTS IN LISTED ENTITIES

	£
Market value at 1 February 2020	6,419
Additions	-
Disposals	-
Net investment (losses)/gains	(2,879)
Market value at 31 January 2021	<u>3,540</u>

10. STOCKS

	Trust and Subsidiary		Trust	
	2021	2020	2021	2020
	£	£	£	£
Shop stocks for resale	34,423	27,916	-	-
Catering stock	3,673	7,359	-	-
Consumable stocks	47,134	43,711	-	-
Special events stock	5,984	5,893	-	-
Driver experience	90	31	-	-
	<u>91,304</u>	<u>84,910</u>	<u>-</u>	<u>-</u>

11. DEBTORS AND PREPAYMENTS

	Trust and Subsidiary		Trust	
	2021	2020	2021	2020
	£	£	£	£
Trade debtors	17,890	13,964	22	1,551
Loan to the Swanage Railway Company Limited	-	-	593,788	95,000
Other debtors	206,927	65,088	189,702	27,035
Prepayments and accrued income	21,090	51,574	16,369	31,638
	<u>245,907</u>	<u>130,626</u>	<u>799,881</u>	<u>155,224</u>

The total amount outstanding on the Winter Loan from Swanage Railway Trust Limited to Swanage Railway Company Limited at 31 January 2021 was £450,000 (2020: £nil).

Interest is charged at 1.5% above the banks base lending rate and the amount of interest charged in the year was £8,068 (2020 - £290).

At 31 January 2021, there was an other debtor of £133,788 (2020: £95,000) due from Swanage Railway Company Limited to Swanage Railway Trust.

The Swanage Railway Trust
Notes to the Consolidated Accounts
For the Year Ended 31 January 2021

12. CREDITORS AND ACCRUALS

	Trust and Subsidiary		Trust	
	2021	2020	2021	2020
	£	£	£	£
Due within one year				
Trade creditors	129,387	177,562	77,185	31,673
Taxation and social security	16,176	21,774	-	-
Life membership equalisation account	9,966	9,870	9,966	9,870
Hire purchase creditors	-	14,415	-	-
Other creditors, accruals, deferred income	285,519	160,148	41,888	12,708
	<u>441,048</u>	<u>383,769</u>	<u>129,039</u>	<u>54,251</u>

Deferred income relates to ticket sales in advance for events taking place after the year end.

	Trust and Subsidiary		Trust	
	2021	2020	2021	2020
	£	£	£	£
Due more than one year				
Members Loans	8,000	8,000	8,000	8,000
Hire purchase creditors (1-3 years)	-	-	-	-
Bank loans	150,000	-	-	-
Life membership equalisation account	51,892	50,158	51,892	50,158
Other creditors and accruals	89,032	3,232	3,232	3,232
	<u>298,924</u>	<u>61,390</u>	<u>63,124</u>	<u>61,390</u>

Hire purchase creditors in the prior year were in respect of two hire purchase contracts for motor vehicles, both expiring in three years and repayable in monthly installments. The creditor is measured at the present value of future lease payments.

13. LIFE MEMBERSHIP

LifeTime membership subscriptions are credited to the accounts and released over ten years.
The movements during the year were:-

	2021	2020
	£	£
Ordinary Life, Lifetime Travel and Premier Life Memberships brought forward	60,028	41,898
New memberships in the year	13,000	28,000
Premier life memberships released over 10 years	(3,540)	(3,540)
Life member subscriptions released over 10 years	(7,630)	(6,330)
Balance of life memberships at close of year	<u>61,858</u>	<u>60,028</u>
Shown in:-		
Creditors under 1 year	9,966	9,870
Creditors over 1 year	<u>51,892</u>	<u>50,158</u>
	<u>61,858</u>	<u>60,028</u>

Both Premier Life Membership and Ordinary Life membership have now closed to new applicants. The Life Time Travel Membership continues.

The Swanage Railway Trust
Notes to the Consolidated Accounts
For the Year Ended 31 January 2021

14. FUNDS

The balance of the unrestricted fund may be reconciled as follows:-

	Opening balance at 1 February 2020	Incoming Resources	Expenditure	Transfers	Gains/ (losses) on revaluation	Closing balance at 31 January 2021
	£	£	£	£	£	£
General funds - Charity	1,543,986	776,191	(446,865)	(70,051)	(2,879)	1,800,382
Designated funds for;						
Restoration	43,871	21,300	(4,029)	6,264	-	67,406
Other capital expenditure	32,052	2,500	(600)	55,600	-	89,552
Education	52,559	-	(13,442)	-	-	39,117
Other projects	32,032	-	(999)	(813)	-	30,220
4TC designated	9,323	-	-	9,000	-	18,323
T3 Restoration	23,052	-	-	-	-	23,052
Carriage shed	153,250	-	(40,772)	-	-	112,478
Total designated	346,139	23,800	(59,841)	70,051	-	380,149
Restricted funds;						
Mining Museum Group	172,225	8,830	(49,363)	-	-	131,692
Swanage 4TC Group	205,571	16,738	(32)	-	-	222,277
T3 Restoration	174,338	45,491	(274)	-	-	219,555
Carriage shed	2,468	21,239	(23,707)	-	-	-
Total restricted	554,602	92,298	(73,376)	-	-	573,524
Total Charity Funds	2,444,727	892,289	(580,082)	-	(2,879)	2,754,055
General funds - Company	4,398,506	1,215,876	(2,733,307)	-	-	2,881,075
Revaluation reserve	371,202	-	-	-	-	371,202
Total - Consolidated	7,214,435	2,108,165	(3,313,389)	-	(2,879)	6,006,332

The Swanage Railway Trust
Notes to the Consolidated Accounts
For the Year Ended 31 January 2021

14. FUNDS - comparative note

The balance of the unrestricted fund may be reconciled as follows:-

	Opening balance at 1 February 2019	Incoming Resources	Expenditure	Transfers	Gains/ (losses) on revaluation	Closing balance at 31 January 2020
	£	£	£	£	£	£
General funds - Charity	1,673,619	278,552	(290,877)	(117,308)	-	1,543,986
Designated funds for;						
Restoration	149,842	8,530	(14,501)	(100,000)	-	43,871
Other capital expenditure	16,807	15,245	-	-	-	32,052
Education	21,500	-	(28,941)	60,000	-	52,559
Other projects	56,532	-	(24,500)	-	-	32,032
4TC designated	-	-	-	9,323	-	9,323
T3 Restoration	3,350	-	-	19,702	-	23,052
Carriage shed	137,398	-	-	15,852	-	153,250
Total designated	385,429	23,775	(67,942)	4,877	-	346,139
Restricted funds;						
Project Wareham Appeal	-	4,516	(4,516)	-	-	-
Mining Museum Group	169,084	30,474	(27,333)	-	-	172,225
Swanage 4TC Group	84,183	10,265	(1,308)	112,431	-	205,571
T3 Restoration	47,406	130,314	(3,382)	-	-	174,338
Carriage shed	-	3,168	(700)	-	-	2,468
Total restricted	300,673	178,737	(37,239)	112,431	-	554,602
Total Charity Funds	2,359,721	481,064	(396,058)	-	-	2,444,727
General funds - Company	4,193,315	3,337,562	(3,132,368)	-	-	4,398,509
Revaluation reserve	371,202	-	-	-	-	371,202
Total - Consolidated	6,924,238	3,818,626	(3,528,426)	-	-	7,214,438

The designated funds for purposes as described above are designated and reviewed annually by the Council of The Swanage Railway Trust. The revaluation reserve is in respect of Heritage Assets and Listed Fixed Asset Investments.

Included within general funds is £16,378 of share capital representing non voting shares in Swanage Railway

Transfers have been made from restricted funds to general funds to account for grants that have been fully expended on fixed assets in line with the restriction. The original restriction is therefore released on these funds.

The purpose of each of the restricted funds is as follows:-

- Mining Museum Group –donations towards the upkeep and development of the Museums at Norden and Corfe
- The Swanage 4TC Group – fundraising for and restoration of a 4TC unit to be based at Swanage to provide a push-pull set working with a Class 33/1 diesel electric locomotive
- Project Wareham Appeal – to raise funds to launch mainline services

The Swanage Railway Trust
Notes to the Consolidated Accounts
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15. RECONCILIATION OF TOTAL FUNDS TO NET ASSETS

	Fixed Assets	Bank	Current Assets	Creditors <1year	Creditors >1year	Total
	£	£	£	£	£	£
General funds	4,789,253	318,111	308,903	(440,883)	(293,924)	4,681,460
Designated funds	-	380,149	-	-	-	380,149
Restricted funds	272,968	277,413	28,308	(165)	(5,000)	573,524
Revaluation	371,202	-	-	-	-	371,202
	<u>5,433,423</u>	<u>975,673</u>	<u>337,211</u>	<u>(441,048)</u>	<u>(298,924)</u>	<u>6,006,335</u>

15. RECONCILIATION OF TOTAL FUNDS TO NET ASSETS - comparative

	Fixed Assets	Bank	Assets	Liabilities	Total
	£	£	£	£	£
General funds	5,774,766	537,419	187,228	(439,994)	6,059,419
Designated funds	-	406,021	-	-	406,021
Restricted funds	272,968	81,685	28,308	(5,165)	377,796
Revaluation	371,202	-	-	-	371,202
	<u>6,418,936</u>	<u>1,025,125</u>	<u>215,536</u>	<u>(445,159)</u>	<u>7,214,438</u>

16. FINANCIAL COMMITMENTS

The group is committed to paying the following remaining lease payments on non-cancellable operating leases;

	Trust and Subsidiary		Trust	
	2021	2020	2021	2020
	£	£	£	£
Lease expiring				
-in under 1 year	420,953	420,953	117,392	117,392
-after 1 year but within 5 years	1,270,642	1,270,642	98,638	98,638
-after 5 years	6,122,089	6,122,089	-	-
	<u>7,813,684</u>	<u>7,813,684</u>	<u>216,030</u>	<u>216,030</u>

The Swanage Railway Trust
Notes to the Consolidated Accounts
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16. FINANCIAL COMMITMENTS - continued

Locomotive hire agreements

a) The Swanage Railway Trust's trading subsidiary, Swanage Railway Company Limited, utilises the motive power and engineering support provided by Southern Locomotives Engineering Limited for which there is an agreement under which Swanage Railway Company Limited pays a fixed amount each year. As detailed in Note 18, a number of the directors of The Swanage Railway Trust and the directors of the trading subsidiary are also shareholders in Southern Locomotives Limited, the holding company of Southern Locomotives Engineering Limited.

The amount billed in respect of the year to the trading subsidiary by Southern Locomotives Hire Limited was £61,947 (2020 - £180,472). At the year end, an amount of £3,960 (2020: £12,000) was owed to Southern Locomotives Hire Limited.

b) The Swanage Railway Trust's trading subsidiary, Swanage Railway Company Limited, utilised the locomotive power provided by JMB Locomotive Services. The amount invoiced by JMB Locomotive Services to the trading subsidiary for the supply of motive power in respect of the year was £85,800 (2020: £112,320). There was no outstanding balance at the year end (2020: £9,360).

17. RELATED PARTY TRANSACTIONS

Swanage Railway Company Limited is a 96% owned subsidiary of Swanage Railway Trust.

The total amount outstanding on loans made to the company by Swanage Railway Trust at 31 January 2021 was £593,788 (2020: £95,000).

Interest is charged on the above loans at 1.5% above the Bank of England base rate. Interest charged in the year to 31 January 2021 was £8,068 (2020: £290).

Five Trustees of the Swanage Railway Trust, hold shares in Southern Locomotives Limited. During the year ended 31 January 2020, Swanage Railway Company (a subsidiary of Swanage Railway Trust) made payments totalling £162,472 to Southern Locomotives Limited and a balance of £12,000 was due at the year end. These transactions were made with Swanage Railway Company, a member of the group. No transactions were conducted in the year ended 31 January 2021.