

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

Contents	Page
Charity Information	3
Chairman's Report	4-6
Directors' Report	7-12
Independent Auditors' Report	13-16
Consolidated Statement of Financial Activities	17
Consolidated Balance Sheet	18
Charity Balance Sheet	19
Consolidated Cashflow Statement and Notes	20-21
Notes to the Financial Statements	22-37

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
	<hr style="width: 100%; border: 0.5px solid black; margin-bottom: 5px;"/> (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**

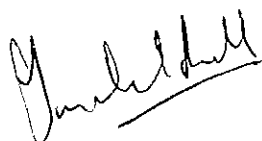
Audit procedures performed by the engagement team included:

- 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				Total Trust	Total
	Land and Buildings	Heritage Assets	Machinery and Equipment	Shop and Fittings	Permanent Way and Other Assets	Freehold Land	Land and Buildings	Heritage Assets	Machinery and Equipment	Assets Under Construction
Cost	£	£	£	£	£	£	£	£	£	£
At 1 Feb 2020	911,387	788,134	1,096,333	3,387	1,809,860	30,000	144,465	797,889	29,898	3,885
Additions	8,991	-	2,249	-	-	-	-	72,065	-	-
Disposals	-	-	-	-	-	-	-	(250)	-	-
Impairments	-	-	-	-	-	-	-	(37,003)	-	-
Transfer of completed assets	-	245,000	-	-	69,587	-	-	-	-	-
As 31 Jan 2021	920,378	1,033,134	1,098,582	3,387	1,879,447	30,000	144,465	832,701	29,898	3,885
Depreciation										
At 1 Feb 2020	306,744	-	556,095	3,085	362,843	-	23,340	-	28,277	-
Charge for the year	36,249	-	104,485	174	37,162	-	6,665	-	477	-
Eliminated on disposal	-	-	-	-	-	-	-	-	-	-
At 31 Jan 2021	342,993	-	660,580	3,259	400,005	-	30,005	-	28,754	-
Net Book Value										
At 31 Jan 2021	577,385	1,033,134	438,002	128	1,479,442	30,000	114,460	832,701	1,144	3,885
At 31 Jan 2020	604,643	788,134	540,238	302	1,447,017	30,000	121,125	797,889	1,621	3,885

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
For the Year Ended 31 January 2021

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
For the Year Ended 31 January 2021

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.