

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
	<hr/> 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:

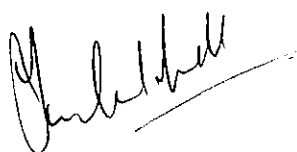
- 1) Identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
- 2) Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
- 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.

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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
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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

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15. RECONCILIATION OF TOTAL FUNDS TO NET ASSETS

	Fixed Assets	Bank	Current Assets	Creditors <1year	Creditors >1year	Total
	£	£	£	£	£	£
General funds	4,410,532	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
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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.