

THE SOMERSET AND DORSET RAILWAY TRUST LTD.

England & Wales · Charity number 1158865

Details

Status Registered

Legal form Charitable company

Company number [08945535](#)

Registered 2014-10-14

Register [View on the Charity Commission register](#)

Contact

Address 2 Victoria Grove
Bridport
Dorset
DT6 3AA

Phone 01308 422131

Email info@sdrtr.org

Website www.sdrtr.org

Activities

Objects: 1) TO ADVANCE THE EDUCATION OF THE PUBLIC ABOUT THE HISTORY AND SOCIAL AND ECONOMIC IMPACT OF THE SOMERSET & DORSET RAILWAY, ITS ANTECEDENTS AND ITS SUCCESSORS, ON LOCAL COMMUNITIES, IN THE CONTEXT OF BRITAIN'S RAILWAY HERITAGE.2) TO ESTABLISH AND MAINTAIN A MUSEUM FOR THE BENEFIT OF THE PUBLIC RELATING TO THE SOMERSET & DORSET RAILWAY AND RAILWAY HERITAGE GENERALLY, AND TO PRESERVE OR RESTORE HISTORIC RAILWAY ITEMS FOR PUBLIC DISPLAY AND DEMONSTRATION.3) TO PROVIDE OR ASSIST IN THE PROVISION OF FACILITIES IN THE INTERESTS OF SOCIAL WELFARE FOR RECREATION OR OTHER LEISURE TIME OCCUPATION OF ALL INDIVIDUALS, INCLUDING THOSE WHO HAVE NEED OF SUCH FACILITIES BY REASON OF THEIR YOUTH, AGE, INFIRMITY OR DISABILITY, FINANCIAL HARDSHIP OR SOCIAL CIRCUMSTANCES, WITH THE OBJECT OF IMPROVING THEIR CONDITIONS OF LIFE.

Activities: The Trust aims to keep alive the history and importance of the Somerset & Dorset Railway and its predecessor companies, through the preservation, custodianship, display and interpretation of material evidence. Furthermore to promote and facilitate public understanding of the significance of the Somerset & Dorset Railway as a major cross country rail route.

Classification

- **How:** Other Charitable Activities
- **What:** Arts/culture/heritage/science
- **Who:** The General Public/mankind

Geography

- Bath And North East Somerset
- Bournemouth
- Dorset
- Hampshire
- North Somerset
- Poole
- Somerset

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£331,807	£40,650	-	-
2023-12-31	£94,834	£52,183	-	-
2022-12-31	£201,073	£47,285	-	-
2021-12-31	£84,629	£72,425	-	-
2020-12-31	£81,762	£35,015	-	-

Trustees

Name	Role	Appointed
Anthony Nigel Davies		2014-10-17
Melvyn Stuart Marshman		2024-04-20
ROGER HARDINGHAM		2017-04-22
Robert Bentley		2023-04-22
Roderick David William Ormston		2016-06-18

THE SOMERSET AND DORSET RAILWAY TRUST LTD.

England & Wales - Charity number 1158865

Accounts

THE SOMERSET & DORSET RAILWAY TRUST LTD

(A company limited by guarantee)

REPORT & FINANCIAL STATEMENTS

Year ending 31st December 2024



Charity number 1158865

Company number 8945535

Registered address:

2 Victoria Grove, Bridport, Dorset DT6 3AA

Report of the Directors for the year ending 31 December 2024

The Trustees are pleased to present their annual Directors' report together with the consolidated financial statements of the charity and its trading subsidiary for the year ending 31 December 2024 which are also prepared to meet the requirements for a Directors' report and accounts for Companies Act purposes.

The report of the directors has been prepared taking advantage of the small companies' exemption of section 415A of the Companies Act 2006.

Chairman's review

2024 was the first year that the Trust was without a home base. From the 1960s through to 2023, the Trust had its headquarters either at Radstock or latterly at Washford. So we are now a very different looking organisation, but fortunately, a very strong one with a good financial base and several associations with other like-minded S&D heritage sites. As I have mentioned previously and at our 2024 AGM, our partnerships will be crucial to the future success of the Trust. 2024 was a year of following up our contacts at the North Dorset Railway's Shillingstone base and the Somerset & Dorset Heritage Railway Trust at their Midsomer Norton station site. I have had very fruitful meetings at both locations during the year and have been very impressed by the way they are now both forging ahead with their respective plans. In the coming year, we will be adding more value to those relationships with improvements to our loaned rolling stock at the NDR where our Fruit D vehicle and CCT are being fitted out to allow more of our artefacts to be on display to the public. We are also starting plans to restore the two unrestored S&D coaches stored at Shillingstone and a small group has been formed to investigate that. Similar arrangements are planned at the MSN site where we now have our 'Wells Hut' building under restoration, although the ownership has now been passed to the S&DRHT as we no longer have a base for this building.

One major change to our artefact display in Hampshire has taken place with many of the station signs and other items passing back to Somerset. We moved them to the Westonzoyland Heritage Pumping Station site where they are being put on display in their newly built engine shed. They join our other items on show there in the shape of our Peat Railway rolling stock which have been popular with visitors. I thank the volunteers at all the above locations for their help in our mission to make our S&D collections accessible to the wider world.

2025 will see celebrations taking place to remember 200 years of railways in Britain. We too have an important anniversary to celebrate with the 100th birthday of our prized possession – 7F No. 53808. It will be 100 years in July 2025 that the locomotive was outshopped from the works of Robert Stephenson, at Darlington, strangely enough one of the locations central to the 200th anniversary of railways during the year. By the time to read this, our special appeal will have been launched to overhaul 53808 and what better way to make this all happen, by ensuring the appeal's success.

Following one major agreement with the West Somerset Railway in 2023, we had another to complete in 2024. This was the agreement to ensure we could resolve the balance of monies due for the use of 53808 during a seven-year period in Somerset. I am pleased to say that I was able to sign an agreement in late December 2024 which not only obtained a considerable sum of past hire fees, but a release from all previous contracts between both parties which has allowed us to be free agents now and make our own way forward as locomotive owners. The final agreement will see the Trust receive £210,000 over a 5-year period. That sum, together with funds already collected for the hire of the engine at the Watercress Line over three years, will give us a very stable start to the overhaul. The plan is to begin the dismantling and assessment of the tender in the Spring of 2025 and a plan of work to rebuild it.

Every board of trustees or directors of any heritage organisation has to ensure that it has the people to carry out its objectives. We have been fortunate in having a team of dedicated people to carry out the many tasks, but I have to say that it is increasingly difficult to get more volunteers to take on responsibilities in crucial areas. We have been very fortunate in 'finding' Tim Deacon who is getting to grips with the membership secretary's role. David Grimwood stepped down as Sales Officer in December and again, we were very lucky with Dave Gower coming up to take on this important job. I am delighted to say that Martin Rice has informed the Trustees that he will continue in the role of Treasurer for the foreseeable future. These good people took the strain off your Trustees, and I thank past officers and new ones for all the hard work they have completed during 2024. Without people, the Trust would not survive.

Roger Hardingham (Chairman)

Purposes and activities

The charity's objects are specifically restricted to the following:

- to advance the education of the public about the history and social and economic impact of the Somerset & Dorset Railway, its antecedents, and its successors, on local communities, in the context of Britain's railway heritage.
- to establish and maintain a museum for the benefit of the public relating to the Somerset & Dorset Railway and railway heritage generally, and to preserve or restore historic railway items for public display and demonstration.
- to provide or assist in the provision of facilities in the interests of social welfare for recreation or other leisure time occupation of all individuals, including those who have need of such facilities by reason of their youth, age, infirmity or disability, financial hardship, or social circumstances, with the object of improving their conditions of life.

The Trustees have adopted a strategic vision:

- The Trust is looking to exhibit its collection, both of rolling stock and museum artefacts, at locations and in a manner to attract a larger footfall and/or relevance to the 'S&D Story.'
- The Trust needs to make sure that its future operations are financially sustainable. The Trust is looking for collaborative partnerships with other like-minded organisations.
- Its locomotives need to be operational in a manageable way so that they can continue to be used as flagships of the collection in realistic settings. The Trust recognises that its ability to undertake restoration and engineering work may be financially constrained for a period and will plan a restoration and maintenance programme for the next 10 years in line with this.
- The Trust is actively seeking to increase its educational role, making use of new locations and audiences to promote the S&D. It is also seeking to develop its research and archival function to provide an ever-improving resource to modellers and railway historians.

In shaping its objectives for the year and planning its activities the Trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PB2)'. In planning the programme for 2024, the Trustees paid particular attention to activities involving public benefit, primarily involving developing museum displays to bring the "S&D Story" to the attention of a larger and wider audience. Details are incorporated into "Activities, Achievements and Performance" on page 4.

To do this the Trust worked to attract, encourage, and support members and volunteers; secure financial resilience for the Trust; and build positive relationships and partnerships with related organisations.

Members and volunteers

The Board continues working to strengthen the Trust's volunteer management. Continued attention has been given to the Trust's membership database as a resource to identify and nurture future volunteers, as the Trust is now operating over a wider geographical footprint than in recent years. Over the course of 2024 new volunteers have offered their services including with management and sales. During 2025 the Trust is looking for volunteers to assist in a variety of roles. The Trustees are already conscious of the need to supplement its existing heritage and conservation history volunteer base, restoration work and administrative support.

Activities, achievements, and performance

Locomotives:

53808 was stored out of service at the Mid-Hants Railway during 2024, pending overhaul. The MHR hire agreement expired at the end of the boiler certificate. MHR have removed the boiler tubes and determined the likely extent of work required to the boiler. In addition, there will be significant work required on the tender, including a new tender tank, and to the frames, chassis, and wheels.

In December 2024, the Trust signed an agreement with the West Somerset Railway releasing them from all obligations under the 53808 operating and maintenance agreements which had been in place in exchange for a payment of £210,000 to be paid in 60 monthly instalments. The first four payments were received before the end of the year in line with the agreement. (see Notes 12 and 19).

Kilmersdon is in service under a hire agreement with MHR for the locomotive to be based at Ropley for the period of its boiler certificate. This provides for it to be used by MHR on a daily steaming fee basis, and to be available for hire by the Trust to other heritage railways. During 2024 the locomotive was steamed for 35 days, including 16 days external hire to the Cholsey & Wallingford Railway for Halloween and Christmas events. The locomotive should be financially secure through the full term of the boiler certificate and the Trust will have funding for the 2032 overhaul.

Museum Collection and Collaboration Arrangements

Trustees concluded storage arrangements for Coach 4 at the One:One Collection at Margate on loan where it is under cover, safe and secure.

Existing collaboration agreements with the North Dorset Railway at Shillingstone and the Somerset & Dorset Heritage Railway Trust at Midsomer Norton have continued during the year. A team at Shillingstone has opened the Fruit D to the public as a cinema wagon and is working to refurbish the LMS CCT wagon for opening as a museum wagon.

Most of the artefacts previously on display at Alresford have been transported to the Westonzoyland Pumping Museum in Somerset where they are expected to go on display in 2025. The Peat Railway exhibits at WZPM have been incorporated into their WZL displays and have been operational at recent WZPM open days.

During the year, the Mid-Hants Railway decided to repurpose the museum room in Alresford Goods Shed and we took the decision to remove most of our artefacts there from public display and add them to the reserve collection in storage. Some transferred to WZPM. Eight vans and wagons remain on long term loan to MHR as previously. The Burnham signal box is at Ropley.

The reserve collection is in storage in containers at Shillingstone and at a secure location in Somerset. Following the removal of artefacts from Alresford, temporary off-site storage has been rented during the year. After further

work to consolidate the contents of the existing containers it is expected that the rented storage will not be required beyond mid-2025.

Washford

As a result of the notice to vacate Washford by West Somerset Railway plc in 2020, the Trust relinquished the station building in January 2022 and the remainder of the site in January 2024. The workshop building, all the trackwork in the yard and a piece of land owned adjacent to the A39 were sold to the new tenants of the site, West Somerset Railway Heritage Trust, for £55,000.

Fund Raising

The Model Railway Exhibition was held in January at Edington and was successful. The Annual Raffle raised £5,564 (net) for the "53808 Overhaul" Appeal.

Sales Income

A retail sales trading subsidiary, The Somerset & Dorset Railway Trading Co Ltd, was set up during 2022. (see notes 12 and 13 to the financial statements). It is fully owned and controlled by the Trust and its Trustees serve as directors of the trading company.

David Grimwood, who had been acting as Interim Sales Officer stood down in December 2024 and the new Sales Officer is David Gower.

Ecommerce sales during the year were at a record level boosted by the introduction of multiple Dapol produced exclusive limited runs both in "O" and "OO" gauge, and for the first time limited edition Peco produced wagons in "N" Gauge. Just before the end of the year the Trust took delivery of a further 2 Dapol wagons in "OO" gauge which were launched in early 2025. This led to a continued higher stockholding at the end of the year. Greater emphasis has also been placed on sales of second-hand books online which has been remarkably successful.

Video & Photographic Collection

Progress has continued in digitising and cataloguing the Trust's photographic collection. The G A Richardson collection of S&D photographs is now completely digitised. The number of images available for purchase via the website is now over 1,500.

Volunteer Management

Communications to members Identification of volunteers to assist with continuing to operate at its new museum sites has been a priority. Appeals at the AGM and in the "Pines Express" for volunteers to step forward in a variety of roles have had only limited response.

Communications and Website

Communications to members have continued via the website, Facebook, and newsletters in addition to the quarterly "Pines Express" which continues to be successful and is highly respected in the heritage railway community. A continuing flow of interesting articles and member research has enabled the 44-page size to be maintained throughout the year.

Funding and Appeals

Fundraising plans for the overhaul of 53808 have been worked on and will be implemented in early 2025.

Member donations have continued to be generous. Trustees are immensely grateful to all members and well-wishers who have donated to the Trust and continue to do so.

Legacy income (£1,700) in respect of two deceased former members was received in the year and we have been notified of one further legacy expected to be received in 2025. Similarly to other legacies received in recent years this cash has been designated for future use on appropriate project(s).

Meetings

It was again possible to hold a physical Annual General Meeting with a Zoom attendance option on 21 April. This was attended by 20 members in person and 12 members via Zoom. The Trustees met by Zoom video conference on five occasions, and in person on one occasion.

Membership

Membership of the Trust has increased slightly, with 732 members at the end of the year. There were 113 new memberships in the year.

Resilience

Trustees have continued work on the structure and governance of the Trust. It has highlighted the need to ensure succession planning, and to encourage officers and Trustees with appropriate skills to step forward so that the Trust can prosper in the future, taking account of current and anticipated projects and the challenges of working on multiple sites with no designated central base.

Organisation structure

The Trust adopted an organisation structure which is reviewed regularly. It has evolved to encompass new and revised roles which are and will be required because of revised methods of operating. During 2024 the remaining Washford volunteers departed, Steph Gillett stepped down as Museum Collections Assistant and David Grimwood stepped down as Interim Sales Officer.

Mel Marshman, a former Washford volunteer, was elected as a Trustee at the AGM, and David Gower has become Sales Officer.

There is an ongoing and pressing need to recruit volunteers to provide support in managing our extensive collection, and in the fund raising, sales and administrative areas. Trustees continue to welcome offers to volunteer from members and others to assist the Trust in whatever way they can.

Current board responsibilities are shown on page 8

Financial review

There was a net inflow of £291,157 principally impacted by two exceptional items: £55,000 from the sale of the Washford site and £210,000 from locomotive settlement contributions. Of the closing unrestricted funds balance, £74,644 is in the General fund with the remainder designated (see note 19 for details). Restricted funds increased from £17,095 to £226,512 mainly due to the locomotive settlement agreement.

Closing cash and deposit balances were still unusually high due to the exceptional income in 2023 and 2024 although it anticipated that this will reduce significantly over the next 18 months. It should be noted that £196,000 of the settlement agreement is still to be received in cash. It remains policy to invest funds at United Trust Bank and CCLA and to add a further provider specialising in charity finance suitable for the Trust's needs, At December 31 2024, £85,000 was held at CCLA in a no notice deposit, and £85,411 was held at United Trust Bank in two 12 month charity bonds maturing in June 2025 and December 2025 earning interest at a fixed rate of 5.05% and 4.61% respectively.

In 2016, the Trustees determined that a minimum of 4 months of unrestricted general expenditure should be held in reserves. At the end of 2024, this threshold was comfortably exceeded. It is anticipated that the future position will exceed the 4-month threshold.

The Trustees have concluded from their review of financial activities and forward expenditure requirements that the charity is a going concern, and accounts have been prepared on this basis. Review of financial performance is an important agenda item at Trustees' meetings.

Plans for future periods

Plans for 2025 include:

Strategy

Trustees will continue discussions on the future strategy of the Trust and the issues facing the Trust. Trustees will discuss with members more detailed plans will be worked on.

Locomotives

Trustees concluded discussions with the West Somerset Railway in December 2024 regarding 53808 in line with contractual stipulations. These were finalised and monthly payments are now being received. This, together with funds already in hand (see note 19) will enable a start to be made on the overhaul. A new appeal will be launched in early 2025 to top up existing funds to ensure an early return to steam of the Trust's principal asset.

Kilmersdon will continue to be used at the Mid-Hants Railway, and as in 2024, will be hired out to external parties earning valuable income.

Coaches

It is hoped that the One:One Museum at Margate will soon be open when Coach 4 will be on display together with interpretation and Trust publicity boards and appreciated by the public. Discussions on the future of the two unrestored coaches, currently at Shillingstone, have progressed to draft agreement stage whereby full restoration is planned. This will continue to be worked on in the early part of the year.

Museum Collection and Collaboration Arrangements

Work will continue with our partners at the Mid-Hants Railway at Alresford, the North Dorset Railway at Shillingstone and the Somerset & Dorset Heritage Railway Trust at Midsomer Norton to ensure that the Trust's collection is stored and on secure display at the various locations in an appropriate and safe environment. The artefacts, previously at Alresford, now at Westonzoyland Pumping Museum will be made available to view in their new locomotive shed during the year.

Meanwhile, work will continue on a comprehensive audit of all artefacts in the collection to ensure our records are full and complete and to optimise the storage of items not currently on display.

Fund Raising and Sales Income

The Model Railway Exhibition will be held in July 2025, and the Annual Raffle will generate funds to go towards the overhaul of 53808. The 200+ Club will continue to generate funds for the Trust. Opportunities at MHR and elsewhere to have a sales stall and other fundraising will be taken up.

The Trading Company will continue to create Retail Sales opportunities online by careful introductions of further of its own publications and limited-edition model wagons.

Volunteer Management

There is a requirement for additional assistance in a number of areas. Trustees will pursue a programme of identifying and recruiting volunteers to assist at partner sites, and to supplement our current volunteers working in administration and fund raising, finance, museum, and curatorial positions.

Work will continue to strengthen the resilience of the Trust and to ensure an appropriate range of skills and interests is represented in the management of the Trust.

Communications and Website

Communications to members and the wider heritage railway movement remain vital, particularly in view of the 53808 Appeal and funding for coach restoration. Attention will be given to keeping members informed by email, newsletters and in the "Pines Express."

Photographic Collection and Digitisation of records

The digitisation and availability of the Trust's photo library will continue to be worked on. Opportunities to add to the Trust's collection of unique images will be pursued carefully.

Funding and Appeals

Trustees will put to the forefront the requirement to raise funds and look at the many ways in which donations can be attracted using modern technology.

Resilience and Governance

Trustees will continue their work on the structure and governance of the Trust. Future resilience will involve Trustees taking full account of new working arrangements and the challenges of working on multiple sites.

Administrative details

The Directors of the charitable company (the charity) are its Trustees for the purpose of charity law. The Trustees and principal officers serving during the year and since the year end, together with the portfolios currently held are:

<i>Directors and Trustees</i>	R C Hardingham		Locomotives, Rolling Stock
	R Bentley		Heritage
	A N Davies		
	M S Marshman	(elected 21 April 2024)	
	R D W Ormston		Communications
	M Stanistreet		Health & Safety
<i>Principal Officers</i>	M Stanistreet		Health & Safety Officer
	R D W Ormston		Magazine Editor
	T Deacon		Membership Secretary
	S R Gillett	(to 21 April 2024)	Museum Collections Assistant
	M J Rice		Treasurer
<i>Advisers</i>	Martin & Co	Bridport	
	HSBC Bank plc	Yeovil	
	Nantes	Weymouth	
<i>Company number</i>	8945535		
<i>Charity number</i>	1158865		
<i>Registered Office</i>	2 Victoria Grove, Bridport, Dorset DT6 3AA		

Structure, Governance and Management

Governing Document

The Somerset & Dorset Railway Trust Ltd is a company limited by guarantee governed by its Memorandum and Articles of Association dated 14 August 2014. It is registered with the Charity Commission. Existing members of the Somerset & Dorset Railway Trust transferred to the present Trust when the charities were listed on the Register of Mergers on 4 March 2015. New members apply for membership. In the event of the charity's dissolution, members resolve that any net assets will be passed directly for the objects, or any charity for purposes similar to the objects or to any charity for use for particular purposes that fall within the objects. Members are liable up to £10 per member for any debts remaining after dissolution.

Appointment of Trustees

As set out in the Articles of Association the Chairman of Trustees is appointed by the Trustees. Trustees are elected in rotation for three years by members either in person at the AGM or by proxy vote. The Trustees have the power to co-opt Trustees who stand until the following AGM.

All members are circulated with invitations to nominate Trustees prior to the AGM advising them of the retiring Trustees and requesting nominations for the AGM. When considering appointing Trustees, the Board has regard to the requirement for any specialist skills needed.

Trustee induction and training

New Trustees are briefed on their legal obligations under charity and company law, the Charity Commission guidance on public benefit, and informed of the content of the Memorandum and Articles of Association, the Board of Trustees and decision-making processes, the business plan and recent financial performance of the charity. Trustees attend appropriate external training events where these will facilitate the undertaking of their role.

Organisation

The Board of Trustees administers the charity. To facilitate effective operations, the Board has authority to delegate certain operational matters to working groups and volunteer officers. The Board meets either face to face with a Zoom online attendance option, or online via Zoom. Other officers attend Board meetings as required.

Related parties and co-operation with other organisations

None of the Trustees receive remuneration or other benefit from their work with the charity. Any connection between a Trustee or senior officer of the charity with a related party must be disclosed to the full Board of Trustees in the same way as any other contractual relationship with a related party. Details of related party transactions are disclosed in note 20 to the accounts. In accordance with Trust policy Trustees withdraw from decisions where conflicts of interest arise.

Risk management

The Trust has identified a number of risks which Trustees address regularly and ensure that adequate monitoring and mitigation is in place to deal with them.

Short term heightened level of risk:

- partner organisations not being able to withstand the current pressures of sustainability in a changing UK leisure market
- breakdown of one or more collaborations leading to difficulties in housing museum and vehicle collection

- potential inability to recruit members to stand as a Trustee or volunteers with the appropriate skill sets to fill vacancies as they occur
- the overhaul of 53808 will commence in 2025 and is critically dependent on a number of factors including finance, project and cash flow management and engagement with one or more contractors
- the lack of a home base may impact many of the Trust's plans and may lead to a decline in the Trust's visibility

Medium term risk:

- a newly dispersed collection presents challenges in caring for, keeping track of all museum items especially those not currently on display whilst ensuring the Trust meets its charitable objectives
- lack of a clear strategy potentially leading to loss of focus and relevance
- inability to keep members feeling involved with the Trust's activities as the membership is predominantly from older age groups.
- the inability to recruit and encourage new, younger, members.
- project selection and financial control both for funds in hand and external fundraising efforts

Impact of macro risks on Trust:

- the future of the heritage railway and charity sector faces unprecedented challenges as a result of regulatory change and the eradication of fossil fuels. The potential inability of heritage railways to operate the Trust's steam locomotives might render overhaul plans to be financially uneconomic.

Other risks are addressed by maintaining risk assessments of Trust activities, contingency planning where appropriate, emphasis of safe working practices and the development of, maintenance of, adherence to and monitoring of robust policies.

Trustees' responsibilities in relation to the financial statements

The charity Trustees (who are also Directors of The Somerset & Dorset Railway Trust Ltd for the purposes of company law) are responsible for preparing a Trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity Trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including income and expenditure, of the charity for the period. In preparing the financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the Charities SORP.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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

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

Statement as disclosure to the independent examiner

In so far as the Trustees are aware at the time of approving the Trustees' annual report:

- There is no relevant information, being information needed by the independent examiner in connection with preparing their report, of which the independent examiner is unaware, and.
- The Trustees, having made enquiries of fellow Directors and the independent examiner that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a Director in order to make themselves aware of any relevant information and to establish that the independent examiner is aware of that information.

By order of the Board of Trustees

A handwritten signature in cursive script, appearing to read 'R Hardingham', written in dark ink.

R Hardingham (Chairman)

27 March 2025



INDEPENDENT EXAMINER'S REPORT

To the Trustees of The Somerset & Dorset Railway Trust Ltd on the accounts for the year ended 31st December 2024.

This report is made solely to the charity's trustees. My examination work has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in an examiners' report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for my work, for this report, or for the opinions I have formed.

Respective responsibilities of Society Board Members and the examiner

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 (the 2022 Act). In carrying out my examination, I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Basis of Independent Examiner's statement

An examination includes a review of the accounting records kept by the Company and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the Board Members concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the accounts.

Independent examiner's statement

In the course of my examination, no matter has come to my attention

- a) which gives me reasonable cause to believe that, in any material respect, the Board Members have not met the requirements to ensure that :
 - i) proper accounting records are kept
 - ii) accounts are prepared which agree with the accounting records and comply with generally accepted accounting requirements; or
- b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Signed

Date 27th March 2025

Name  Bruce Reginald Kenway

Chartered Certified Accountant

Address 2, VICTORA GROVE, BRIDPORT, DORSET, DT6 3AA

THE SOMERSET & DORSET RAILWAY TRUST LTD

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

for year ending 31st December 2024

	Notes	2024 Unrestricted Funds £	2024 Restricted Funds £	2024 Total Funds £	2023 Total Funds £
INCOMING RESOURCES					
Subscriptions		14,060	-	14,060	18,799
Donations and grants	3	12,702	1,013	13,715	14,603
Charitable activities	4	3,700	6,704	10,404	10,927
Other activities	5	75,244	210,000	285,244	43,697
Investment income	6	8,384	-	8,384	6,808
Total incoming resources		<u>114,090</u>	<u>217,717</u>	<u>331,807</u>	<u>94,834</u>
RESOURCES EXPENDED					
Expenditure on charitable activities	7	28,047	4,761	32,808	41,613
Cost of generating funds	8	1,384	1,040	2,424	3,876
Governance and support costs	9	2,920	2,498	5,418	6,694
Total resources expended		<u>32,351</u>	<u>8,299</u>	<u>40,650</u>	<u>52,183</u>
Net incoming resources for the year before transfers		81,739	209,418	291,157	42,651
Transfers between funds		-	-	0	0
Net incoming resources for the year		81,739	209,418	291,157	42,651
Accumulated fund brought forward	19	323,971	17,095	341,066	298,415
Accumulated fund carried forward	19	<u>405,710</u>	<u>226,513</u>	<u>632,223</u>	<u>341,066</u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

THE SOMERSET & DORSET RAILWAY TRUST LTD

CONSOLIDATED BALANCE SHEETS

as at 31st December 2024

	Notes	Group		Parent Charity	
		2024	2023	2024	2023
		£	£	£	£
FIXED ASSETS					
Tangible Assets	11	9,448	11,454	9,448	11,454
Investments	12, 14	1	1	101	101
CURRENT ASSETS					
Stock	15	18,292	18,748	5,607	5,607
Assets for sale		-	4,617	-	4,617
Debtors and prepayments	16	54,723	31,042	67,287	44,061
Debtors and prepayments due after one year	16	154,000	-	154,000	-
Bank deposits		170,411	166,633	170,411	166,633
Bank & cash in hand		239,270	128,600	239,270	128,600
		<u>636,696</u>	<u>349,640</u>	<u>636,575</u>	<u>349,518</u>
LESS					
CURRENT LIABILITIES					
<i>Falling due within one year</i>					
Creditors and accruals	17	3,657	10,327	3,657	10,327
Deferred income	18	10,265	9,702	10,265	9,702
		<u>13,922</u>	<u>20,029</u>	<u>13,922</u>	<u>20,029</u>
NET CURRENT ASSETS		622,774	329,611	622,653	329,489
NET ASSETS		<u>632,223</u>	<u>341,066</u>	<u>632,202</u>	<u>341,044</u>
REPRESENTED BY:					
Unrestricted funds	19	405,711	323,971	405,691	323,951
Restricted funds	19	226,512	17,095	226,512	17,094
ACCUMULATED FUNDS		<u>632,223</u>	<u>341,065</u>	<u>632,203</u>	<u>341,045</u>

The notes at pages 15 to 22 form part of these accounts

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

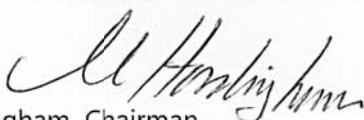
For the year ending 31 December 2024, the company was entitled to exemption from audit under Section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with Section 476.
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements were approved and authorised for issue by the Board on 27 March 2025

Signed on behalf of the board of directors


R Hardingham, Chairman

27 March 2025

THE SOMERSET & DORSET RAILWAY TRUST LTD

NOTES ON THE ACCOUNTS

1. Accounting Policies

- a. *General information and basis of preparation* The Somerset & Dorset Railway Trust Ltd is a company limited by guarantee incorporated in England within the United Kingdom. The address of the registered office is given in the company information on page 9 of these financial statements. The financial statements are presented in sterling which is the functional currency of the company. The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.
- b. *Group accounts* These financial statements consolidate the results of the charitable company and its wholly owned subsidiary on a line-by-line basis. Transactions and balances between the charitable company and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two companies are disclosed in the notes of the charitable company's balance sheet. A separate statement of financial activities for the charitable company itself is not presented as the charitable company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.
- c. *Preparation of the accounts on a going concern basis* The accounts have been prepared on a going concern basis as the Trustees have no material uncertainties about the charity's ability to continue operating.
- d. *Income recognition policies* Items of income are recognised and included in the accounts when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met or fully within the control of the charity, there is sufficient certainty that the receipt of the income is considered probable and the amount can be measured reliably. Income received in advance, such as future year membership subscriptions, is deferred until the criteria for income recognition are met. Since the amount and timing of receipt of legacy income are unpredictable, it is accounted for only when received.
- e. *Donated services and facilities* The value of items received as donations to the charity would be difficult to quantify, and therefore not assessed. Consequently, they are not included in the accounts.
- f. *Interest receivable* Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity.
- g. *Fund accounting* Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the Trustees have decided at their discretion to set aside for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular activities of the charity.
- h. *Expenditure and irrecoverable VAT* Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that a settlement will be required, and the amount of the obligation can be measured reliably. Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.
- i. *Heritage assets* Accounting standard FRS30 applies to all heritage assets that are held principally for their contribution to knowledge and culture, having historical and other qualities. In 1988 the net book value of all items then classified as museum items, including steam locomotive 53808, was written off as an expense to comply with museum regulations prevailing at that time.

- j. *Tangible fixed assets* Individual fixed assets are capitalised at cost and are depreciated over their estimated useful economic lives on a straight-line basis as follows:

<i>Asset Category</i>	<i>Annual Rate</i>
Buildings	10%
Rolling Stock	5 %
Office & Other Equipment	10 – 20%

Steam locomotives owned by the charity are not capitalised and details by individual asset are found at Note 11.

- k. *Stock* Stock of books, DVDs and other items for resale is included at the lower of cost or net realisable value.
- l. *Debtors* Debtors are recognised at the settlement amount due after any discount offered. Prepayments are valued at the amount prepaid after taking account of any discounts due.
- m. *Cash at bank and in hand* Cash at bank and in hand includes cash and short term highly liquid investments.
- n. *Creditors and provisions* Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in a transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably and are recognised at their settlement value after allowing for any discounts due.

2. Legal Status of the Charity

The charity is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is restricted to a maximum of £10 per Trustee.

3. Income from donations and grants

	Notes	2024 Unrestricted Funds £	2024 Restricted Funds £	2024 Total Funds £	2023 Total Funds £
General donations	19	4,690	-	4,690	3,474
Grants and specific donations		-	-	-	40
Gift Aid	19	6,312	1,013	7,325	5,148
Legacies	19	1,700	-	1,700	5,941
		12,702	1,013	13,715	14,603

Details of the income into specific restricted funds can be found in Note 19.

The charity benefits from the involvement and enthusiastic support of its many volunteers, details of which are given in the annual report. In accordance with accounting standards, the economic contribution of volunteers is not measured in the accounts.

4. Income from charitable activities

	Notes	2024 Unrestricted Funds £	2024 Restricted Funds £	2024 Total Funds £	2023 Total Funds £
Raffle	19	-	6,704	6,704	5,292
Model railway display		2,275	-	2,275	3,093
Special train		-	-	-	1,110
Other events		25	-	25	54
S&D 200 Club		1,400	-	1,400	1,378
		3,700	6,704	10,404	10,927

5. Income from other activities

	Notes	2024 Unrestricted Funds £	2024 Restricted Funds £	2024 Total Funds £	2023 Total Funds £
Retail Sales		29,425	-	29,425	17,700
Less: Cost of Sales:					
Stock 1 January		13,141	-	13,141	4,844
Add: Purchases		13,875	-	13,875	16,905
Less: Stock 31 December		(12,685)	-	(12,685)	(13,141)
		14,331	-	14,331	8,608
Gross Profit		15,094	-	15,094	9,092
Less: Post, packing and sundry costs		4,531	-	4,531	2,440
Retail sales contribution		10,563	-	10,563	6,652
Photo collection income		560	-	560	1,373
Loco hire and other income	11, 19	64,121	210,000	274,121	35,672
		75,244	210,000	285,244	43,697

6. Investment income

All investment income arises from money held in interest bearing deposit accounts.

7. Expenditure on charitable activities

	Notes	2024 Unrestricted Funds £	2024 Restricted Funds £	2024 Total Funds £	2023 Total Funds £
Magazines		10,718	-	10,718	9,742
Insurance		6,114	-	6,114	6,078
Washford electricity		(709)	-	(709)	2,681
Washford rent, water, phone etc.		125	-	125	1,314
Washford exit and relocation costs	19	6,448	1,471	7,919	17,311
Locomotive overhaul	19	-	3,290	3,290	-
Carriage maintenance		-	-	-	275
Wagons maintenance		303	-	303	-
Website, publicity, other events	16	923	-	923	1,284
Museum displays and administration		2,119	-	2,119	854
Depreciation	11	2,006	-	2,006	2,040
		28,047	4,761	32,808	41,613

8. Cost of generating funds

		2024 Unrestricted Funds £	2024 Restricted Funds £	2024 Total Funds £	2023 Total Funds £
Cost of generating funds - Raffle	19	-	1,040	1,040	1,291
- Model Railway Display		1,384	-	1,384	2,585
		1,384	1,040	2,424	3,876

9. Governance and support costs

	2024 Unrestricted Funds £	2024 Restricted Funds £	2024 Total Funds £	2023 Total Funds £
AGM and board meetings	795	-	795	1,100
HRA subs, travel, stationery, postage	640	-	640	1,147
Trustees' travel expenses	-	-	-	125
Legal and Professional fees	-	2,498	2,498	3,120
Volunteer Management expenses	-	-	-	140
Membership administration	990	-	990	667
Examiner's fee and expenses	495	-	495	395
	2,920	2,498	5,418	6,694

The charity has no paid employees (2023: None).

The charity Trustees were not paid nor received any other benefits from the charity (2023: None). No Trustees were reimbursed expenses in attending Trustees' meetings (2023: None) in accordance with procedures laid down by the Trustees. No charity Trustee received payment for professional or other services supplied to the charity (2023: None)

10. Heritage assets

In 1988 all items then classified as museum items were written off as an expense to comply with museum regulations prevailing at that time. This amounted to £2,940 historical cost, £2,581 net book value. Since then, the cost of additional museum items has been written off as an expense against income when incurred, totalling £21,800 to the end of 2024. No asset value is carried in the accounts for heritage assets held by the charity, whether obtained by purchase or donation.

The charity's collection of museum exhibits also includes donated items. The charity has a museum collection acquisitions and disposals policy, adopted by the Trustees in July 2015 and updated in March 2022. Detailed records of the collection are kept.

11. Tangible fixed assets – company only

	Totals	Buildings	Rolling stock	Office & other equipment
Cost	£	£	£	£
Brought forward	36,216	9,435	11,285	15,496
Carried forward	36,216	9,435	11,285	15,496
Depreciation				
Brought forward	24,760	1,662	9,885	13,213
Charge for the year	2,006	944	100	962
Carried forward	26,766	2,606	9,985	14,175
Net Book Value				
31st December 2023	11,455	7,773	1,400	2,282
31st December 2024	9,450	6,830	1,300	1,320

The charity owns two steam locomotives. Both locomotives are operational and do not qualify to be treated as heritage assets.

Locomotive 53808 had a book cost of £42,635 in 1988 when it was written out of the accounts, along with the heritage assets. It was subject to a long-term hire agreement with West Somerset Railway plc whereby the hirer was responsible

for all maintenance and overhaul costs. In December 2024, the Trust signed an agreement with the West Somerset Railway releasing them from all obligations under these operating and maintenance agreements in exchange for a payment of £210,000 to be paid in 60 monthly instalments. In 2024 income includes £14,000 in respect of contributions received and £196,000 accrued income (see note 5).

Locomotive 'Kilmersdon' was acquired in 2010 at nil cost after many years on loan. Since then, it has been overhauled twice in 2012 and 2022, These costs and minor costs since then have been treated as an expense. In 2024 income includes £8,996 in respect of hiring fees for Kilmersdon (see note 5) (2023: £9,379).

12. Investments

The charity holds 5,150 shares in West Somerset Railway plc which were donated in previous years. These shares are considered to have no marketable value. of The Somerset & Dorset Railway Trading Company Ltd, a company which commenced activities in July 2022 (see Note 13).

The charity owns 100% of the issued share capital for further details. -

	Group		Parent Charity	
	2024	2023	2024	2023
	£	£	£	£
External Investment	1	1	1	1
Investment in group undertaking	-	-	100	100
	1	1	101	101

13. Subsidiary undertakings

The Somerset & Dorset Railway Trading Co Ltd is the wholly owned trading subsidiary of the charity. The trading subsidiary was incorporated and commenced trading in 2022. The subsidiary operates the sales activities of the charity. A summary of the subsidiary's financial statements from inception is set out below:

	2024	2023
	£	£
Retail Sales	29,985	19,073
Cost of sales	(14,331)	(8,608)
Gross profit	15,654	10,465
Administrative expenses	(3,704)	(1,850)
Profit for the financial year	11,950	8,615
Changes in equity:		
Total comprehensive income for the year	11,950	8,615
Gift aided donation to parent charity	(11,950)	(13,350)
Retained profit carried forward	0	(4,735)

14. Parent charity

The parent charity's results are:

	2024	2023
	£	£
Gross income	331,809	99,571
Net incoming resources for the year	291,159	52,185

15. Stock

	Group		Parent Charity	
	2024	2023	2024	2023
	£	£	£	£
Retail Stock	12,685	13,141	-	-
Locomotive consumables stock	5,607	5,607	5,607	5,607
	18,292	18,748	5,607	5,607

16. Debtors

	Group		Parent Charity	
	2024	2023	2024	2023
	£	£	£	£
Prepaid website costs	182	154	182	154
Prepaid insurance	5,476	7,299	5,476	7,299
Other prepaid expenses	1,794	1,356	1,794	1,356
Group balances	-	-	12,564	13,019
Other taxes recoverable	-	9,582	-	9,582
Accrued income	47,271	12,651	47,271	12,651
Debtors and prepayments due within 1 year	54,723	31,042	67,287	44,061
Accrued income due after 1 year	154,000	-	154,000	-
	208,723	31,042	221,287	44,061

Accrued income includes £196,000 in respect of West Somerset Railway locomotive contributions (see page 4), of which £42,000 in receivable within 12 months and £154,000 thereafter (2023: £Nil)

17. Creditors: amounts falling due within one year

	Group		Parent Charity	
	2024	2023	2024	2023
	£	£	£	£
Creditors	290	7,286	290	7,286
Other taxes payable	3,367	-	3,367	-
Accruals	-	3,041	-	3,041
	3,657	10,327	3,657	10,327

18. Deferred income – charity only

Deferred income comprises subscriptions received in advance for future years.

19. Analysis of group charitable funds

Movements in restricted funds

	Opening Balance	Incoming Resources	Resources Expended	Transfers in year	Closing Balance
	01/01/2024				31/12/2024
	£	£	£	£	£
Restricted Funds					
Coach Restoration	3,727	-	-	-	3,727
Progressing Our Future Appeal	3,969	-	(3,969)	-	-
53808 Tender Tank Appeal	9,398	-	-	-	9,398
53808 Overhaul	-	217,717	(4,330)	-	213,387
Total Restricted Funds	17,095	217,717	(8,299)	-	226,512

- a) *Coach Restoration Fund:* The net proceeds of the 2019 raffle were restricted for the purpose of restoring vintage coaches 98 and 114. The proceeds have been set aside to meet anticipated liabilities when this project gets underway.

- b) *'Progressing Our Future' Appeal*: This appeal was launched in April 2020 to take the Trust forward into the next period of its long existence whilst meeting the many challenges facing it. It was closed in September 2021 (see page 5) and the remaining balance has been fully utilised in 2024 in meeting legal and professional fees, and Washford exit costs amounting to £3,969 in 2024 (2023: £19,811).
- c) *53808 Tender Tank Appeal*: The net proceeds of the 2022 and 2023 raffles were restricted for the purpose of constructing a new tender tank for 53808. The proceeds have been set aside to meet anticipated liabilities when this project gets underway.
- d) *53808 Overhaul Fund*: The net proceeds of the 2024 raffle were restricted for the purpose of overhauling locomotive 53808. In addition, contributions received and accrued in lieu of overhauling the locomotive received from West Somerset Railway (see note 16) have been placed in this fund. The proceeds have been set aside to meet anticipated liabilities when this project gets underway.

Movements in unrestricted funds

	Opening Balance 01/01/2024	Incoming Resources	Resources Expended	Transfers in year	Closing Balance 31/12/2024
	£	£	£	£	£
Unrestricted Funds					
General Fund	68,798	48,270	(25,903)	(16,521)	74,644
Designated Funds:					
Coach Restoration (including coaches 98/114)	12,628	-	-	-	12,628
Legacies	146,990	1,700	-	-	148,690
Baker Memorial	404	-	-	-	404
53808 Overhaul	75,088	-	-	-	75,088
53808 Tender Tank	2,941	-	-	-	2,941
Kilmersdon Overhaul	8,978	8,996	-	-	17,974
Exit from Washford	8,143	-	(6,448)	(1,695)	-
Future Development	-	55,125	-	18,217	73,342
Total Unrestricted Funds	323,971	114,091	(32,351)	-	405,711

- a) *Coach Restoration Designated Fund (including coaches 98 & 114)*: During 2014 the Trustees agreed to set aside £38,700 from Unrestricted General funds to cover full restoration of Coach 4, and restoration of the two other vintage coaches (98/114). After the completion of Coach 4 in 2016 a balance of £12,628 is therefore available to contribute towards the restoration and/or conservation of the two remaining unrestored vintage coaches.
- b) *53808 Overhaul Fund*: On 15 January 2021, the Trustees agreed to designate hiring fees earned whilst 53808 was on hire at Mid-Hants Railway to create a fund to contribute towards funding for the next overhaul which is now due. No fees were received in 2024 (2023: £8,078).
- c) *'Kilmersdon' Overhaul Fund*: On 19 January 2023, the Trustees agreed to designate steaming fees earned since the 2022 overhaul in the first instance to offsetting a small debit balance in the fund, and thereafter towards funding the next overhaul. Fees designated in 2024 were £8,996 (2022: £9,379).
- d) *Legacies*: This represents two legacies received in 2024 and a number received in prior years. The Trustees have agreed to designate these amounts whilst an appropriate use for the money is identified.
- e) *Baker memorial*: This represents donations received from the funeral of the Trust's late Chairman, Godfrey Baker in 2018. The Trustees have agreed to designate this amount whilst an appropriate use for the money is identified.
- f) *Exit from Washford*: On 22 January 2022, the Trustees agreed to designate donations from members received since the closure of the "Progressing Our Future" Appeal to create a fund to contribute towards the costs of evacuating Washford. No funds were designated to this fund in 2024 and the final liabilities in exiting the Washford site were settled. The fund was closed in 2024 and the remaining balance (£1,695) transferred to General Funds.

- g) *53808 Tender Tank*: On 19 January 2023, the Trustees agreed to designate the net proceeds of the 2022 and 2023 Special Trains to contribute towards constructing a new tender tank for 53808 when this project gets underway as part of the upcoming overhaul.
- h) *Future Development Fund*: On 30 January 2025, the Trustees agreed to designate the exceptional proceeds from the sale of Washford assets in 2024 into a new fund to be available for projects which will develop the Trust's activities in the future. At the same time, the proceeds of Washford asset sales in 2023, which had not previously been designated, were transferred into this fund.

20. Related party transaction

Mr Roger Hardingham is the owner of South West Publications Ltd, a supplier of Kingfisher railway books and DVDs. During 2024 the Trust and its subsidiary purchased goods to the value of £35 from and sold goods to the value of £Nil to South West Publications Ltd (2023: £194 and £229 respectively). At 31 December 2024 £35 was owing to South West Publications Ltd (2023: £143), and £ Nil was owing to the Trust (2023: £Nil)

Cover picture:

Restored S&DRT Coach No. 4 in its new position on the upper mezzanine floor at the One:One Collection museum being developed at the historic Hornby site in Margate in Kent.

Photo courtesy of Hornby One:One Collection

THE SOMERSET AND DORSET RAILWAY TRUST LTD.

England & Wales - Charity number 1158865

Accounts

THE SOMERSET & DORSET RAILWAY TRUST LTD

(A company limited by guarantee)

REPORT & FINANCIAL STATEMENTS

Year ending 31st December 2023



Charity number 1158865

Company number 8945535

Registered address:

2 Victoria Grove, Bridport, Dorset DT6 3AA

Report of the Directors for the year ending 31 December 2023

The Trustees are pleased to present their annual Directors' report together with the consolidated financial statements of the charity and its trading subsidiary for the year ending 31 December 2023 which are also prepared to meet the requirements for a Directors' report and accounts for Companies Act purposes.

The report of the directors has been prepared taking advantage of the small companies' exemption of section 415A of the Companies Act 2006.

Chairman's review

This Report coincides with the end of our tenure at Washford. When the Trust was given Notice to Quit the site in February 2020, a terrifying prospect faced your board of trustees. Where would we go? What would be the prospects for the future? What financial effect would it have? These questions were gradually answered by the sheer dedication of many in our wonderful trust and with Trustees and volunteers coming up with the solutions. The last items of rolling stock departed during 2023 and finally, the two small diesel shunters were sold to new homes. The restored Fruit D is a classic example of how our partnership with other S&D organisations is proving a success. It is now providing a useful display space and audio-visual facility for visitors at Shillingstone.

In many ways we were fortunate in having our year-long notice to quit extended by three years due to the Covid crisis. We would have struggled to move our assets in time, and we would have been very vulnerable. Our Appeal to members to raise funds for the exit in mid-2020 was highly successful with £46,000 raised. It was clear that our trust had received a great deal of sympathy for our dilemma and these funds were able to cover the costs of transport and legal fees associated although I am pleased to report that we were able to offset many of the haulage costs in the deals we arranged.

The final problem to solve was the site at Washford itself and we decided in the Spring of 2023 to enter negotiations with the West Somerset Railway Heritage Trust. This was absolutely crucial because the site containing our main shed and layout of track, which had been accumulated over some 40 or more years, had to be either removed or sold. We did our sums, and the demolition of the site came out in tens of thousands of pounds and with the final clearing up of contamination, we were facing costs estimated at £100,000. We would have retained the track and points but with nowhere to store them; that would have been very costly in itself. We finally came to a financial deal with the WSRHT in January 2024 and they are now the residents at Washford.

With the financial deal at Washford and our general financial stability, we can now look to the future and begin to work on our strategy. Our 7F No. 53808 had its final runs in the autumn of 2023. Much background work has already begun on its next overhaul, and we will be looking at various options for its return to steam taking into account the commitment of the West Somerset Railway to participate with its financial obligations. Top of our list of objectives will be to give more dedication to our extensive artefact collection. Some items are on display with our two partners at Midsomer Norton and Shillingstone and we have some items also at Alresford. We will be exploring further displays to bring the S&D to many more people in the future and with our large collection of photographs, this will form a major aspect of the Trust in upcoming years. We have our two unrestored S&D coaches to put back into good order, hopefully with our new partners at the North Dorset Railway. Partnerships are certain to be a main focus in the future.

All of this has been accomplished by people – all volunteers and dedicated to the Trust. Our volunteers at Washford have been key to our exit from that site and I cannot thank enough those who did so much work, often in difficult conditions, to dismantle the contents of the shed, find alternative locations for our many tools

and machinery and fill endless skips with rubbish. In all of this process we have assisted several other trusts; the SDRHT at Midsomer Norton, the NDR at Shillingstone, the Lynton and Barnstaple Railway, the Westonzoyland Light Railway, the Watercress Line, and others.

And so, we look forward to the future. Safeguarding our collections, keeping our locomotives operational, developing partnerships, and increasing our membership will protect the Trust for future generations to come.

My thanks go to the other Trustees and officers for their support and knowledge in the past year. I would finally like to thank Ian Young who was my predecessor and who took us through the first three years of the difficult exit period. Ian is one of the Trust's longest-serving volunteers having taken on many of the management positions over the years.

Roger Hardingham (Chairman)

Purposes and activities

The charity's objects are specifically restricted to the following:

- to advance the education of the public about the history and social and economic impact of the Somerset & Dorset Railway, its antecedents, and its successors, on local communities, in the context of Britain's railway heritage.
- to establish and maintain a museum for the benefit of the public relating to the Somerset & Dorset Railway and railway heritage generally, and to preserve or restore historic railway items for public display and demonstration.
- to provide or assist in the provision of facilities in the interests of social welfare for recreation or other leisure time occupation of all individuals, including those who have need of such facilities by reason of their youth, age, infirmity or disability, financial hardship, or social circumstances, with the object of improving their conditions of life.

As a result of the exceptional events in 2020 the Trustees refined their strategic vision:

- The Trust is looking to exhibit its collection, both of rolling stock and museum artefacts, at locations and in a manner to attract a larger footfall and/or relevance to the 'S&D Story.'
- The Trust needs to make sure that its future operations are financially sustainable. The Trust is looking for collaborative partnerships with other like-minded organisations.
- Its locomotives need to be operational in a manageable way so that they can continue to be used as flagships of the collection in realistic settings. The Trust recognises that its ability to undertake restoration and engineering work may be financially constrained for a period and will plan a restoration and maintenance programme for the next 10 years in line with this.
- The Trust is actively seeking to increase its educational role, making use of new locations and audiences to promote the S&D. It is also seeking to develop its research and archival function to provide an ever-improving resource to modellers and railway historians.

In shaping its objectives for the year and planning its activities the Trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PB2)'.

In planning the programme for 2023, the Trustees paid particular attention to activities involving public benefit, primarily involving re-establishing museum displays to bring the "S&D Story" to the attention of a larger and wider audience. Details are incorporated into "Activities, Achievements and Performance" on page 4.

To do this the Trust worked to attract, encourage, and support members and volunteers; secure financial resilience for the Trust; and build positive relationships and partnerships with related organisations. Trustees have continued to evolve the established organisational structure with clear accountabilities.

Members and volunteers

The Board continues working to strengthen the Trust's volunteer management. Continued attention has been given to the Trust's membership database as a resource to identify and nurture future volunteers, as the Trust is now operating over a wider geographical footprint than in recent years. Over the course of 2023 new volunteers have offered their services including with management, heritage, sales, and membership. During 2024 the Trust is looking for volunteers to assist in a variety of roles. The Trustees are already conscious of the need to supplement its existing heritage and conservation history volunteer base and sales and administrative support.

Activities, achievements, and performance

Locomotives:

53808 was in service at the Mid-Hants Railway fleet during 2023, with the boiler certificate expiring at the end of the year. It was used sparingly but was used for Galas, a Special Train swansong, and a final weekend in steam during November. The MHR hire agreement expired at the end of the boiler certificate, and the locomotive is currently in store at Ropley. Since it moved to the MHR in 2020 it has been in steam for 147 days clocking up over 9,000 miles in service.

The pre-existing 10-year operating agreement with the West Somerset Railway remained suspended until the boiler certificate expired with the Trust retaining the cash for steaming fees on the strict understanding that it be made available for the overhaul of the locomotive. The suspension agreement clarifies WSR's requirement to provide overhaul funding which will reflect WSR's usage since the previous overhaul. The original agreement remains in place and discussions have commenced with WSR regarding their contractual commitment to carry out the overhaul.

Kilmersdon returned to service in August 2022 after overhaul under a hire agreement with MHR for the locomotive to be based at Ropley for the period of its new boiler certificate. This provides for it to be used by MHR on a daily steaming fee basis, and to be available for hire by the Trust to other heritage railways. During 2023 the locomotive was steamed for 44 days, including 24 days as Percy for Thomas and Friends weeks. The locomotive was hired out to the Somerset & Dorset Joint Railway at Midsomer Norton for Halloween and Christmas events. The locomotive should be financially secure through the full term of the boiler certificate and the Trust will have funding for the 2032 overhaul.

Immediately prior to cessation of vehicle movements at Washford the two Diesel shunters were sold externally as they had become surplus to the Trust's requirements. The ex-Bath Gas Works Ruston shunter was sold to the Vale of Berkeley Railway Preservation Trust at Sharpness, and the ex ROF Puriton Andrew Barclay shunter was sold to a group at the Leiston Works Railway in Suffolk.

Museum Collection and Collaboration Arrangements

During 2023 the Trust entered into a collaboration agreement with the North Dorset Railway at Shillingstone. This involved two vans, the two unrestored coaches and a number of museum artefacts transferring to Shillingstone. These items join the two wagons and the Binegar crane transferred in 2021.

Towards the end of 2023 the Wells Hut was donated to the Somerset & Dorset Heritage Railway Trust at Midsomer Norton where it will be restored. The preexisting loan agreements from 2021 continue and the number of items loaned increased during 2023.

Arrangements at the Mid-Hants Railway have continued during the year with eight vans and wagons on long term loan arrangements, museum artefacts most of which have been displayed in the museum in Alresford Goods Shed. and the Burnham signal box now at Ropley. The museum is a joint venture with MHR with some MHR artefacts also on display and has been open most weekends the railway was operational. Discussions are underway about developing the museum displays at MHR.

Coach 4 was the last vehicle to leave Washford. Negotiations are being concluded for the coach to move on loan to a covered location where it will be available for the public to appreciate.

The Peat Railway exhibits remain at the Westonzoyland Pumping Museum on long term loan. The exhibits have been incorporated into the existing WZL displays and have been operational at recent WZPM open days.

During the year four wagons and a small number of non-S&D artefacts were sold externally. The signal box equipment configured to replicate Midford was loaned to the Tarka Railway project in Devon.

Washford

As a result of the notice to vacate Washford by West Somerset Railway plc in 2020, the Trust relinquished the station building in January 2022 and retained the right to remain at the Washford site until November 2023.

Great progress was made to vacate the site by that date and outline agreement had been reached with the new tenants of the site, West Somerset Railway Heritage Trust to sell them the workshop building, all the trackwork in the yard and the piece of land we owned adjacent to the A39. In mid-November it became clear that delays in negotiation between WSR plc and WSRHT would impact our sale agreement with WSRHT, and WSR plc granted the Trust a further 2-month lease extension to January 2024. (see post balance sheet event in Note 22)

The site has been closed to visitors throughout the year. The Washford volunteer team continued to meet weekly through until the end of November and cleared the site, including demolition of the accommodation block behind the Wells Hut, and supervision of a succession of low loaders removing rolling stock and artefacts from the site. The work put in by the Washford volunteers has been unstinting, dedicated and loyal hard work in challenging circumstances and the Trustees are deeply appreciative of their efforts.

A further shipping container was purchased and filled with larger museum artefacts including vintage S&D coach parts. A total of four containers were shipped off site in December, one to Shillingstone and three to a secure compound in Somerset.

Fund Raising

2023 has seen the return of a full year of Fund-Raising Events following Covid. The Model Railway Exhibition in January included a high-quality O Gauge layout of Bridgwater S&D modelled as it would have been in 1904 by member Trevor Gibson. This generated considerable local interest, which contributed to a higher-than-normal attendance of 450. The Special Train was again held at Mid Hants Railway in July, and 103 members and guests enjoyed a return journey on the MHR behind 53808, which was marketed as the pre overhaul swansong. The Annual Raffle raised £4,001 (net) for the "53808 Tender Tank" Appeal.

Sales Income

A retail sales trading subsidiary, The Somerset & Dorset Railway Trading Co Ltd, was set up during 2022. (see notes 12 and 13 to the financial statements) and started trading on 1 July 2022. It is fully owned and controlled by the Trust and its Trustees serve as directors of the trading company.

In March 2023 Nigel Davies, the Sales Manager, had a stroke and was unable to continue with his sales activities. David Grimwood, a former Trustee, stepped into the breach at short notice. There have been a number of enforced changes because of the change in personnel. The end of Covid restrictions has seen a continued reduction in online sales, and this has not been made up by sales from other sources.

During the year, the Trust introduced Dapol produced exclusive limited runs both in "O" and "OO" gauge of a wagon in the livery of "Pylle Blue Lias Lime & Selinitic Cement Works". Just before the end of the year the Trust took delivery of a further 4 Dapol wagons in both "O" and "OO" gauge which were launched in early January 2024. This led to a much higher than normal stockholding at the end of the year.

Further editions of three Trust "blue books" were delivered in the year – "Swift & Delightful", "Southbound with the Pines Express", "53808 A S&D Engine". These continue to sell steadily. One of the Trust's book suppliers, Strathwood Press offered Trust members a discount of 10% which applies to their complete range, and furthermore pay a continuing monthly commission to the Trust (25%) relating to all books sold to members.

Video & Photographic Collection

Progress has continued in digitising and cataloguing the Trust's photographic collection, including the recently acquired G A Richardson collection. The number of images available for purchase via the website is now nearly 1,350. Over 100 images were provided for the "Pictorial Atlas of the S&DJR" which boosted collection income.

Volunteer Management

Communications to members Identification of volunteers to assist with moving to and operating at its new museum sites has been a priority. Appeals at the AGM and in the "Pines Express" for volunteers to step forward in a variety of roles have had only limited response. Individual approaches to members able to take on specific roles has been more fruitful (see page 7).

Communications and Website

Communications to members have continued via the website, Facebook, and newsletters in addition to the quarterly "Pines Express" which continues to be successful and is highly respected in the heritage railway community. A continuing flow of interesting articles and member research has enabled the 44-page size to be maintained throughout the year.

Funding and Appeals

The "Progressing Our Future" Appeal was closed formally in 2021. Member donations have continued to be generous. Trustees are immensely grateful to all members and well-wishers who have donated to the Trust and continue to do so. Fundraising plans for the overhaul of 53808 have been considered, and dependent upon discussions with West Somerset Railway, will be implemented as appropriate without delay.

Legacy income reverted to more normal level (£5,941) following the receipt in 2022 of two larger legacies from the estates of former members, totalling £126,103. Similarly to other legacies received in recent years this cash has been designated for future use on appropriate project(s).

Until the Trust's liabilities arising from vacating Washford were known in full, expenditure on coach restoration and any project expenditure with collaboration partners had been deferred until 2024.

Meetings

It was again possible to hold a physical Annual General Meeting with a Zoom attendance option on 22 April. This was attended by 23 members in person and 17 members via Zoom. The Trustees met by Zoom video conference on ten occasions.

Membership

Subscriptions which had not increased by many years were increased at the beginning of 2023. Membership of the Trust has reduced slightly, with 718 members at the end of the year. There were 45 new memberships in the year.

Resilience--

Despite the heavy workload of moving the collection and vacating Washford, Trustees have continued work on the structure and governance of the Trust. It has highlighted the need to ensure succession planning, and to encourage officers and Trustees with appropriate skills to step forward so that the Trust can prosper in the future, taking account of the increased locomotive activity and the challenges of working on multiple sites with no designated central base.

Governance

On 1 September, the registered office was moved from Washford to 2 Victoria Grove, Bridport. Trustees are grateful to Bruce Kenway, the independent examiner, for making his business premises available to act as the registered office,

Organisation structure

The Trust adopted an organisation structure which is reviewed regularly. In 2023 it has evolved to encompass new and revised roles which are and will be required because of revised methods of operating. During 2023 there were notable departures. In March Nigel Davies stepped down as Sales Manager but remains as a Trustee in a non-executive capacity. In July Ian Young resigned as Chairman and Trustee after very many years of service on the Committee and more recently as a Trustee and since 2018 Chairman. This was followed in late September by the news of the sudden, and unexpected death of Ian's son Andy, who was the Trust's Membership Secretary.

2023 has also marked the end of volunteering at Washford where a small team has faithfully turned up every week in all weathers for over 40 years. Whilst some of the latest volunteers had multiple roles within the Trust which will continue, there are several volunteers who, consequently, have ceased active involvement.

Roger Hardingham was elected Chairman in July, Rob Bentley was elected as a Trustee at the AGM and has taken on the heritage portfolio, David Grimwood stepped in as Interim Sales Manager, and Tim Deacon became Membership Secretary in November.

With the impending retirement of some of our existing volunteers, there is an ongoing and pressing need to recruit volunteers to provide support in managing our extensive collection, and in the fund raising, administrative, sales fund raising and financial areas. Trustees continue to welcome offers to volunteer from members and others to assist the Trust in whatever way they can.

Current board responsibilities are shown on page 9.

Financial review

There was a net inflow of £42,651 resulting from income from the sale of assets, donations, locomotive hire fees, net sales income, and heightened levels of interest income. Of the closing unrestricted funds balance, £68,798 is

in the General fund with the remainder designated (see note 20 for details). Restricted funds reduced from £32,592 to £17,095 due to preplanned expenditure on exiting Washford.

Closing cash and deposit balances were still unusually high due to the exceptional income in 2022 and 2023 although it anticipated that this will reduce significantly over the next 18 months. It remains policy to invest funds at United Trust Bank and CCLA and to add a further provider specialising in charity finance suitable for the Trust's needs. At December 31 2023, £85,000 was held at CCLA in a no notice deposit, and £81,643 was held at United Trust Bank in two 12 month charity bonds maturing in June 2024 and December 2024 earning interest at a fixed rate of 4.41% and 5.00% respectively.

In 2016, the Trustees determined that a minimum of 4 months of unrestricted general expenditure should be held in reserves. At the end of 2023, this threshold was comfortably exceeded. It is anticipated that the future position will exceed the 4-month threshold.

The Trustees have concluded from their review of financial activities and forward expenditure requirements that the charity is a going concern and accounts have been prepared on this basis. Review of financial performance is an important agenda item at Trustees' meetings.

Plans for future periods

Plans for 2024 include:

Strategy

Trustees will commence discussions on the future strategy of the Trust early in the year and the overdue Strategy Review, including member consultation, will be prepared, and published. It will form the basis of decision making going forward.

Locomotives

Trustees will continue discussions with the West Somerset Railway regarding 53808 in line with contractual stipulations. Until these are finalised no decision can be made as to the timing and scope of the ten yearly overhaul, which is due following the expiry of the boiler certificate at the end of 2023.

Kilmersdon will continue to play its part at the Mid-Hants Railway, particularly during Thomas events. There will be opportunity to conclude further appropriate external hiring arrangements.

Coaches

Trustees will conclude arrangements to rehouse Coach 4 at a location where it can be appreciated by the public and under cover. Decisions on the future of the two unrestored coaches, currently at Shillingstone, will be informed by the strategy review.

Museum Collection and Collaboration Arrangements

Now that the collection has all moved from Washford, work will continue with our partners at the Mid-Hants Railway at Alresford, the North Dorset Railway at Shillingstone and the Somerset & Dorset Heritage Railway Trust at Midsomer Norton to ensure appropriate and regularly refreshed displays, the attendant security arrangements and to explore further cooperation to be developed in a manner that benefits all parties.

Work will commence on a comprehensive audit of all artefacts in the collection to ensure our records are full and complete and to optimise the storage of items not currently on display.

Washford

Trustees will conclude work on the agreement with West Somerset Railway Heritage Trust. to sell them the workshop building, trackwork in the yard and land in order to fully vacate the site by 31 January 2024. (see post balance sheet events in Note 22)

Fund Raising and Sales Income

The Model Railway Exhibition was held in January 2024, and the Annual Raffle will generate funds to go towards the overhaul of 53808. The 200+ Club will continue to generate funds for the Trust.

Opportunities at MHR and elsewhere to have a sales stall and other fundraising will be taken up.

The Trading Company will continue to create Retail Sales opportunities online by careful introductions of further of its own publications and limited-edition model wagons.

Volunteer Management

There is a requirement for additional assistance in a number of areas. Trustees will pursue a programme of identifying and recruiting volunteers to assist at its new sites, and to supplement our current volunteers working in administration and fund raising, finance, museum, and curatorial positions.

Work will continue to strengthen the resilience of the Trust and to ensure an appropriate range of skills and interests is represented in the management of the Trust.

Communications and Website

Communications to members and the wider heritage railway movement remain vital. Attention will be given to keeping members informed by email, newsletters and in the "Pines Express".

Photographic Collection and Digitisation of records

The digitisation and availability of the Trust's photo library will continue to be worked on. Opportunities to add to the Trust's collection of unique images will be pursued carefully.

Resilience and Governance

Trustees will continue their work on the structure and governance of the Trust. Future resilience will involve Trustees taking full account of new working arrangements and the challenges of working on multiple sites.

Funding and Appeals

A small fundraising group will coordinate future funding requirements to be identified in the Strategic Review and to consider the optimal means of raising funds for projects in the short to medium term such as assuring the future of locomotive 53808, coach restoration and project expenditure with collaboration partners.

Administrative details

The Directors of the charitable company (the charity) are its Trustees for the purpose of charity law. The Trustees and principal officers serving during the year and since the year end, together with the portfolios currently held are:

<i>Directors and Trustees</i>	I M Young	Chairman (to 14 July 2023) (resigned as director 14 July 2023)	
	R C Hardingham	Chairman (from 15 July 2023)	Locomotives, Rolling Stock
	R Bentley	(elected 22 April 2023)	Heritage
	A N Davies		
	R D W Ormston		Communications
	M J Rice	(resigned 1 February 2023)	
	M Stanistreet		Health & Safety; Washford Exit

<i>Principal Officers</i>	M Stanistreet		Health & Safety Officer
	R D W Ormston		Magazine Editor
	A J M Young	(to 25 September 2023)	Membership Secretary
	T Deacon	(from 1 November 2023)	Membership Secretary
	S R Gillett		Museum Collections Assistant
	D Temple		Museum Displays Coordinator
	M J Rice		Treasurer
	E L Lambe	(to 5 December 2023)	Washford Team Leader
<i>Advisers</i>	Martin & Co	Bridport	
	HSBC Bank plc	Yeovil	
	Nantes	Weymouth	
<i>Company number</i>	8945535		
<i>Charity number</i>	1158865		
<i>Registered Office</i>	2 Victoria Grove, Bridport, Dorset DT6 3AA		

Structure, Governance and Management

Governing Document

The Somerset & Dorset Railway Trust Ltd is a company limited by guarantee governed by its Memorandum and Articles of Association dated 14 August 2014. It is registered with the Charity Commission. Existing members of the Somerset & Dorset Railway Trust transferred to the present Trust when the charities were listed on the Register of Mergers on 4 March 2015. New members apply for membership. In the event of the charity's dissolution, members resolve that any net assets will be passed directly for the objects, or any charity for purposes similar to the objects or to any charity for use for particular purposes that fall within the objects. Members are liable up to £10 per member for any debts remaining after dissolution.

Appointment of Trustees

As set out in the Articles of Association the Chairman of Trustees is appointed by the Trustees. Trustees are elected in rotation for three years by members either in person at the AGM or by proxy vote. The Trustees have the power to co-opt Trustees who stand until the following AGM.

All members are circulated with invitations to nominate Trustees prior to the AGM advising them of the retiring Trustees and requesting nominations for the AGM. When considering appointing Trustees, the Board has regard to the requirement for any specialist skills needed.

Trustee induction and training

New Trustees are briefed on their legal obligations under charity and company law, the Charity Commission guidance on public benefit, and informed of the content of the Memorandum and Articles of Association, the Board of Trustees and decision-making processes, the business plan and recent financial performance of the charity. Trustees attend appropriate external training events where these will facilitate the undertaking of their role.

Organisation

The Board of Trustees administers the charity. To facilitate effective operations, the Board has authority to delegate certain operational matters to working groups and volunteer officers. The Board meets either face to face with a Zoom online attendance option, or online via Zoom. Other officers attend Board meetings as required.

Related parties and co-operation with other organisations

None of the Trustees receive remuneration or other benefit from their work with the charity. Any connection between a Trustee or senior officer of the charity with a related party must be disclosed to the full Board of Trustees in the same way as any other contractual relationship with a related party. Details of related party transactions are disclosed in note 21 to the accounts. In accordance with Trust policy Trustees withdraw from decisions where conflicts of interest arise.

Risk management

The Trust has identified a number of risks which are more numerous than has been the case in past years. Trustees address these risks regularly and ensure that adequate monitoring and mitigation is in place to deal with them.

Short term heightened level of risk:

- partner organisations not being able to withstand the current pressures of the UK cost of living “crisis”
- breakdown of one or more collaborations leading to difficulties in housing museum and vehicle collection
- potential inability to recruit members to stand as a Trustee or volunteers to work at new locations and for vacant or soon to be vacant roles within the Trust
- the successful overhaul of 53808 expected to commence in 2024 is critically dependent on WSR being able to meet its contractual liabilities which has a knock-on effect relating the Trust’s ability to fund the overhaul in a timely manner.
- the lack of a home base may impact many of the Trust’s plans and could lead to a decline in the Trust’s fortunes.

Medium term risk:

- a newly dispersed collection presents challenges in keeping track of all museum items especially those not currently on display,
- lack of agreed strategy potentially leading to loss of focus and visibility, a declining membership and delay decision making and incur additional cost.
- inability to keep members feeling involved with the Trust’s activities as the membership is predominantly from older age groups.
- the inability to recruit and encourage new, younger, members.
- project selection and financial control for funds in hand.

Impact of macro risks on Trust:

- the future of the heritage railway movement faces unprecedented challenges as a result of climate change, and the eradication of fossil fuels. The potential inability of heritage railways to operate the Trust’s steam locomotives might render overhaul plans to be financially uneconomic.

Other risks are addressed by maintaining risk assessments of Trust activities, contingency planning where appropriate, emphasis of safe working practices and the development of, maintenance of, adherence to and monitoring of robust policies.

Trustees’ responsibilities in relation to the financial statements

The charity Trustees (who are also Directors of The Somerset & Dorset Railway Trust Ltd for the purposes of company law) are responsible for preparing a Trustees’ annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity Trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including income and expenditure, of the charity for the period. In preparing the financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the Charities SORP.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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

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

Statement as disclosure to the independent examiner

In so far as the Trustees are aware at the time of approving the Trustees' annual report:

- There is no relevant information, being information needed by the independent examiner in connection with preparing their report, of which the independent examiner is unaware, and.
- The Trustees, having made enquiries of fellow Directors and the independent examiner that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a Director in order to make themselves aware of any relevant information and to establish that the independent examiner is aware of that information.

By order of the Board of Trustees



R Hardingham (Chairman)

14 March 2024

INDEPENDENT EXAMINER'S REPORT

To the Trustees of The Somerset & Dorset Railway Trust Ltd on the accounts for the year ended 31st December 2023.

This report is made solely to the charity's trustees. My examination work has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in an examiners' report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for my work, for this report, or for the opinions I have formed.

Respective responsibilities of Society Board Members and the examiner

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 (the 2022 Act). In carrying out my examination, I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Basis of Independent Examiner's statement

An examination includes a review of the accounting records kept by the Company and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the Board Members concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the accounts.

Independent examiner's statement

In the course of my examination, no matter has come to my attention

- a) which gives me reasonable cause to believe that, in any material respect, the Board Members have not met the requirements to ensure that :
 - i) proper accounting records are kept
 - ii) accounts are prepared which agree with the accounting records and comply with generally accepted accounting requirements; or
- b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Signed

.....

Date 11th March 2024

Name

Bruce Reginald Kenway

Chartered Certified Accountant

Address

2, VICTORA GROVE, BRIDPORT, DORSET, DT6 3AA

THE SOMERSET & DORSET RAILWAY TRUST LTD

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

for year ending 31st December 2023

	Notes	2023 Unrestricted Funds £	2023 Restricted Funds £	2023 Total Funds £	2022 Total Funds £
INCOMING RESOURCES					
Subscriptions		18,799	-	18,799	12,880
Donations and grants	3	13,671	932	14,603	140,370
Charitable activities	4	5,635	5,292	10,927	10,504
Other activities	5	43,697	-	43,697	35,587
Investment income	6	6,808	-	6,808	1,731
Total incoming resources		<u>88,610</u>	<u>6,224</u>	<u>94,834</u>	<u>201,071</u>
RESOURCES EXPENDED					
Expenditure on charitable activities	7	24,302	17,311	41,613	40,490
Cost of generating funds	8	2,585	1,291	3,876	1,957
Governance and support costs	9	3,574	3,120	6,694	4,836
Total resources expended		<u>30,461</u>	<u>21,722</u>	<u>52,183</u>	<u>47,283</u>
Net incoming resources for the year before transfers		58,149	(15,498)	42,651	153,788
Transfers between funds		0	0	0	0
Net incoming resources for the year		58,149	(15,498)	42,651	153,788
Accumulated fund brought forward	20	265,822	32,593	298,415	144,627
Accumulated fund carried forward	20	<u>323,971</u>	<u>17,095</u>	<u>341,066</u>	<u>298,415</u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

THE SOMERSET & DORSET RAILWAY TRUST LTD

CONSOLIDATED BALANCE SHEETS

as at 31st December 2023

	Notes	Group		Parent Charity	
		2023	2022	2023	2022
		£	£	£	£
FIXED ASSETS					
Tangible Assets	11	11,454	15,726	11,454	15,726
Investments	12, 14	1	1	101	101
CURRENT ASSETS					
Stock	15	18,748	4,844	5,607	-
Assets for sale	16	4,617	-	4,617	-
Debtors and prepayments	17	31,042	26,690	44,061	26,690
Bank deposits		166,633	164,645	166,633	164,645
Bank & cash in hand		128,600	104,123	128,600	104,123
		<u>349,640</u>	<u>300,302</u>	<u>349,518</u>	<u>295,458</u>
LESS					
CURRENT LIABILITIES					
Falling due within one year					
Creditors and accruals	18	10,327	8,576	10,327	8,589
Deferred income	19	9,702	9,038	9,702	9,038
		<u>20,029</u>	<u>17,614</u>	<u>20,029</u>	<u>17,627</u>
NET CURRENT ASSETS		<u>329,611</u>	<u>282,688</u>	<u>329,489</u>	<u>277,831</u>
NET ASSETS		<u>341,066</u>	<u>298,415</u>	<u>341,044</u>	<u>293,658</u>
REPRESENTED BY:					
Unrestricted funds	20	323,971	265,823	323,951	261,064
Restricted funds	20	17,095	32,592	17,094	32,593
ACCUMULATED FUNDS		<u>341,066</u>	<u>298,415</u>	<u>341,045</u>	<u>293,657</u>

The notes at pages 16 to 23 form part of these accounts

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

For the year ending 31 December 2023 the company was entitled to exemption from audit under Section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with Section 476.
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements were approved and authorised for issue by the Board on 14 March 2024

Signed on behalf of the board of directors


R Hardingham, Chairman

14 March 2024

THE SOMERSET & DORSET RAILWAY TRUST LTD

NOTES ON THE ACCOUNTS

1. Accounting Policies

- a. *General information and basis of preparation* The Somerset & Dorset Railway Trust Ltd is a company limited by guarantee incorporated in England within the United Kingdom. The address of the registered office is given in the company information on page 9 of these financial statements. The financial statements are presented in sterling which is the functional currency of the company. The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.
- b. *Group accounts* These financial statements consolidate the results of the charitable company and its wholly owned subsidiary on a line-by-line basis. Transactions and balances between the charitable company and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two companies are disclosed in the notes of the charitable company's balance sheet. A separate statement of financial activities for the charitable company itself is not presented as the charitable company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.
- c. *Preparation of the accounts on a going concern basis* The accounts have been prepared on a going concern basis as the Trustees have no material uncertainties about the charity's ability to continue operating.
- d. *Income recognition policies* Items of income are recognised and included in the accounts when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met or fully within the control of the charity, there is sufficient certainty that the receipt of the income is considered probable and the amount can be measured reliably. Income received in advance, such as future year membership subscriptions, is deferred until the criteria for income recognition are met. Since the amount and timing of receipt of legacy income are unpredictable, it is accounted for only when received.
- e. *Donated services and facilities* The value of items received as donations to the charity would be difficult to quantify, and therefore not assessed. Consequently, they are not included in the accounts.
- f. *Interest receivable* Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity.
- g. *Fund accounting* Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the Trustees have decided at their discretion to set aside for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular activities of the charity.
- h. *Expenditure and irrecoverable VAT* Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that a settlement will be required, and the amount of the obligation can be measured reliably. Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.
- i. *Heritage assets* Accounting standard FRS30 applies to all heritage assets that are held principally for their contribution to knowledge and culture, having historical and other qualities. In 1988 the net book value of all items then classified as museum items, including steam locomotive 53808, was written off as an expense to comply with museum regulations prevailing at that time.
- j. *Tangible fixed assets* Individual fixed assets are capitalised at cost and are depreciated over their estimated useful economic lives on a straight-line basis as follows:

<i>Asset Category</i>	<i>Annual Rate</i>
Land	Nil
Buildings & Trackwork	10%
Rolling Stock	5 %
Engineering Equipment	10%
Office & Other Equipment	10 – 20%

Steam locomotives owned by the charity are not capitalised and details by individual asset are found at Note 11.

- k. *Stock* Stock of books, DVDs and other items for resale is included at the lower of cost or net realisable value.
- l. *Debtors* Debtors are recognised at the settlement amount due after any discount offered. Prepayments are valued at the amount prepaid after taking account of any discounts due.
- m. *Cash at bank and in hand* Cash at bank and in hand includes cash and short term highly liquid investments.
- n. *Creditors and provisions* Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in a transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably and are recognised at their settlement value after allowing for any discounts due.

2. Legal Status of the Charity

The charity is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is restricted to a maximum of £10 per Trustee.

3. Income from donations and grants

	Notes	2023 Unrestricted Funds £	2023 Restricted Funds £	2023 Total Funds £	2022 Total Funds £
General donations	20	3,474	-	3,474	6,198
Grants and specific donations	20	-	40	40	6,000
Gift Aid	20	4,256	892	5,148	2,069
Legacies	20	5,941	-	5,941	126,103
		13,671	932	14,603	140,370

Details of the income into specific restricted funds can be found in Note 20.

The charity benefits from the involvement and enthusiastic support of its many volunteers, details of which are given in the annual report. In accordance with accounting standards, the economic contribution of volunteers is not measured in the accounts.

4. Income from charitable activities

	Notes	2023 Unrestricted Funds £	2023 Restricted Funds £	2023 Total Funds £	2022 Total Funds £
Raffle	20	-	5,292	5,292	5,331
Model railway display		3,093	-	3,093	1,614
Special train	20	1,110	-	1,110	1,831
Other events		54	-	54	30
S&D 200 Club		1,378	-	1,378	1,698
		5,635	5,292	10,927	10,504

5. Income from other activities

	Notes	2023 Unrestricted Funds £	2023 Restricted Funds £	2023 Total Funds £	2022 Total Funds £
Retail Sales		17,700	-	17,700	24,265
Less: Cost of Sales:					
Stock 1 January		4,844	-	4,844	3,782
Add: Purchases		16,905	-	16,905	15,224
Less: Stock 31 December		(13,141)	-	(13,141)	(4,844)
		8,608	-	8,608	14,162
Gross Profit		9,092	-	9,092	10,103
Less: Post, packing and sundry costs		2,440	-	2,440	3,009
Retail sales contribution		6,652	-	6,652	7,093
Photo collection income		1,373	-	1,373	272
Loco hire and other income	11, 20	35,672	-	35,672	28,221
		43,697	-	43,697	35,587

6. Investment income

All investment income arises from money held in interest bearing deposit accounts.

7. Expenditure on charitable activities

	Notes	2023 Unrestricted Funds £	2023 Restricted Funds £	2023 Total Funds £	2022 Total Funds £
Magazines		9,742	-	9,742	10,043
Insurance		6,078	-	6,078	5,416
Museum electricity		2,681	-	2,681	470
Museum rent, water, phone etc.		1,313	-	1,313	1,172
Museum safety and security		-	-	-	696
Museum maintenance		-	-	-	347
Shed, track, equipment maintenance		-	-	-	400
Washford relocation costs		-	17,311	17,311	2,736
Locomotive maintenance		35	-	35	(1,013)
Locomotive overhaul		-	-	-	14,869
Carriage maintenance		275	-	275	10
Wagons maintenance		-	-	-	244
Website, publicity, other events	17	1,284	-	1,284	1,596
Museum purchase	10	-	-	-	1,000
Museum displays and administration		854	-	854	477
Depreciation	11	2,040	-	2,040	2,028
		24,302	17,311	41,613	40,490

8. Cost of generating funds

		2023 Unrestricted Funds £	2023 Restricted Funds £	2023 Total Funds £	2022 Total Funds £
Cost of generating funds - Raffle	20	-	1,291	1,291	1,313
- Model Railway Display		2,585	-	2,585	644
		2,585	1,291	3,876	1,957

9. Governance and support costs

	2023 Unrestricted Funds £	2023 Restricted Funds £	2023 Total Funds £	2022 Total Funds £
AGM and board meetings	1,100	-	1,100	992
HRA subs, travel, stationery, postage	1,147	-	1,147	526
Trustees' travel expenses	125	-	125	673
Legal and Professional fees	20	3,120	3,120	1,313
Volunteer Management expenses	140	-	140	-
Membership administration	667	-	667	968
Examiner's fee and expenses	395	-	395	365
	3,574	3,120	6,694	4,836

The charity has no paid employees (2022: None).

The charity Trustees were not paid nor received any other benefits from the charity (2022: None). No Trustees were reimbursed expenses in attending Trustees' meetings (2022: None) in accordance with procedures laid down by the Trustees. No charity Trustee received payment for professional or other services supplied to the charity (2022: None)

10. Heritage assets

In 1988 all items then classified as museum items were written off as an expense to comply with museum regulations prevailing at that time. This amounted to £2,940 historical cost, £2,581 net book value. Since then, the cost of additional museum items has been written off as an expense against income when incurred, totalling £21,800 to the end of 2023. No asset value is carried in the accounts for heritage assets held by the charity, whether obtained by purchase or donation.

The charity's collection of museum exhibits also includes donated items. The charity has a museum collection acquisitions and disposals policy, adopted by the Trustees in July 2015 and updated in March 2022. Detailed records of the collection are kept.

11. Tangible fixed assets – company only

	Totals	Buildings, Land & Trackwork	Rolling stock	Engineering equipment	Office & other equipment
Cost	£	£	£	£	£
Brought forward	136,094	98,457	13,185	5,227	19,226
Additions in the year	3,144	2,250	-	-	894
Transfer to Current assets	(89,174)	(86,562)	-	(692)	(1,920)
Disposals in the year	(13,849)	(4,710)	(1,900)	(4,535)	(2,704)
Carried forward	36,215	9,435	11,285	-	15,496
Depreciation					
Brought forward	120,367	88,527	10,925	5,227	15,689
Transfer to Current assets	(84,557)	(83,097)	-	(692)	(768)
Disposals in the year	(13,089)	(4,710)	(1,140)	(4,535)	(2,704)
Charge for the year	2,040	944	100	-	996
Carried forward	24,761	1,663	9,885	-	13,213
Net Book Value					
31st December 2022	15,727	9,930	2,260	-	3,537
31st December 2023	11,454	7,772	1,400	-	2,282

The charity owns two steam locomotives. Both locomotives are operational and do not qualify to be treated as heritage assets.

Locomotive 53808 had a book cost of £42,635 in 1988 when it was written out of the accounts, along with the heritage assets. It is subject to a long-term hire agreement with West Somerset Railway plc whereby the hirer is responsible for all maintenance and overhaul costs. The current agreement expires on 30 April 2030. In 2020 the West Somerset Railway agreed to suspend the agreement for a period up until the boiler certificate ran out in December 2023. The Trust entered into a short-term agreement with Mid-Hants Railway Ltd to hire the locomotive for this period and has been responsible for invoicing and collecting steaming fees from Mid-Hants Railway. In 2023 income includes £8,078 in respect of hiring fees for 53808 (see note 5) (2021: £24,440).

Locomotive 'Kilmersdon' was acquired in 2010 at nil cost after many years on loan. Since then, it has been overhauled twice in 2012 and 2022, These costs and minor costs since then have been treated as an expense. In 2023 income includes £9,379 in respect of hiring fees for Kilmersdon (see note 5) (2022: £3,000).

12. Investments

The charity holds 5,150 shares in West Somerset Railway plc which were donated in previous years. These shares are considered to have no marketable value.

The charity owns 100% of the issued share capital of The Somerset & Dorset Railway Trading Company Ltd, a company set up in 2022 and which commenced activities in July 2022. See Note 13 for further details. -

	Group		Parent Charity	
	2023	2022	2023	2022
	£	£	£	£
External Investment	1	1	1	1
Investment in group undertaking	-	-	100	100
	1	1	101	101

13. Subsidiary undertakings

The Somerset & Dorset Railway Trading Co Ltd is the wholly owned trading subsidiary of the charity. The trading subsidiary was incorporated on 19 May 2022, and retail stock was transferred on 1 July 2022 from which date the subsidiary commenced trading. The subsidiary operates the sales activities of the charity. A summary of the subsidiary's financial statements from inception is set out below:

	2023	2022
	£	£
Retail Sales	19,073	14,274
Cost of sales	(8,608)	(8,405)
Gross profit	10,465	5,869
Administrative expenses	(1,850)	(1,112)
Profit for the financial year	8,615	4,757
Changes in equity:		
Total comprehensive income for the year	8,615	4,757
Gift aided donation to parent charity	(13,350)	-
Retained profit carried forward	(4,735)	4,757

14. Parent charity

The parent charity's results are:

	2023 £	2022 £
Gross income	99,571	196,315
Net incoming resources for the year	52,185	47,285

15. Stock

	Group		Parent Charity	
	2023 £	2022 £	2023 £	2022 £
Retail Stock	13,141	4,844	-	-
Locomotive consumables stock	5,607	-	5,607	-
	18,748	4,844	5,607	-

16. Assets for sale – charity only

At 31 December 2023 certain fixed assets relating to the Washford site were transferred to current assets as provisional agreement had been reached to sell them to a third party (see page 5 and Note 22).

17. Debtors

	Group		Parent Charity	
	2023 £	2022 £	2023 £	2022 £
Prepaid website costs	154	771	154	771
Prepaid insurance	7,299	6,950	7,299	6,950
Other prepaid expenses	1,356	1,118	1,356	1,118
Group balances	-	-	13,019	-
Other taxes recoverable	9,582	11,048	9,582	11,048
Accrued income	12,651	6,803	12,651	6,803
	31,042	26,690	44,061	26,690

18. Creditors: amounts falling due within one year

	Group		Parent Charity	
	2023 £	2022 £	2023 £	2022 £
Creditors	7,286	5,957	7,286	5,957
Group balances	-	-	-	13
Accruals	3,041	2,619	3,041	2,619
	10,327	8,576	10,327	8,589

19. Deferred income – charity only

Deferred income comprises subscriptions received in advance for future years.

20. Analysis of group charitable funds

Movements in restricted funds

	Opening Balance 01/01/2023	Incoming Resources	Resources Expended	Transfers in year	Closing Balance 31/12/2023
	£	£	£	£	£
Restricted Funds					
Museum Collection	620	-	(620)	-	-
Coach Restoration	3,727	-	-	-	3,727
Progressing Our Future Appeal	23,780	-	(19,811)	-	3,969
53808 Tender Tank Appeal	4,466	6,224	(1,291)	-	9,398
Total Restricted Funds	32,592	6,224	(21,721)	-	17,095

- a) *Museum Collection*: This represents a single specific donation for the acquisition of appropriate items for the Trust's museum collection and display at Washford. The remaining funds were fully utilised in 2023 in contributing to the cost of safeguarding museum assets when they left Washford.
- b) *Coach Restoration Fund*: The net proceeds of the 2019 raffle were restricted for the purpose of restoring vintage coaches 98 and 114. The proceeds have been set aside to meet anticipated liabilities when this project gets underway.
- c) *'Progressing Our Future' Appeal*: This appeal was launched in April 2020 to take the Trust forward into the next period of its long existence whilst meeting the many challenges facing it. It was closed in September 2021 (see page 5) and there have been no receipts since then. Costs, including legal and professional fees, rolling stock move costs, museum collection safety and move costs and Washford exit costs were £19,811 in 2023 (2022: £4,049). The remaining balance will be utilised in full over the course of 2024.
- d) *53808 Tender Tank Appeal*: The net proceeds of the 2022 and 2023 raffles were restricted for the purpose of constructing a new tender tank for 53808. The proceeds have been set aside to meet anticipated liabilities when this project gets underway.

Movements in unrestricted funds

	Opening Balance 01/01/2023	Incoming Resources	Resources Expended	Transfers in year	Closing Balance 31/12/2023
	£	£	£	£	£
Unrestricted Funds					
General Fund	35,158	77,453	(43,813)	-	68,798
Designated Funds:					
Coach Restoration (including coaches 98/114)	12,628	-	-	-	12,628
53808 Overhaul	67,010	8,078	-	-	75,088
Kilmersdon Overhaul	(401)	9,379	-	-	8,978
Legacies	141,049	5,941	-	-	146,990
Baker Memorial	404	-	-	-	404
Exit from Washford	8,143	-	-	-	8,143
53808 Tender Tank	1,831	1,110	-	-	2,941
Total Unrestricted Funds	265,823	101,961	(43,813)	-	323,971

- a) *Coach Restoration Designated Fund (including coaches 98 & 114)*: During 2014 the Trustees agreed to set aside £38,700 from Unrestricted General funds to cover full restoration of Coach 4, and restoration of the two other vintage coaches (98/114). After the completion of Coach 4 in 2016 a balance of £12,628 is therefore available to contribute towards the restoration and/or conservation of the two remaining unrestored vintage coaches.
- b) *53808 Overhaul Fund*: On 15 January 2021, the Trustees agreed to designate hiring fees earned whilst 53808 is on hire at Mid-Hants Railway to create a fund to contribute towards funding for the next overhaul which is

now due following the expiry of the 10-year boiler ticket in December 2023. Fees designated in 2023 amount to £8,078 (2022: £24,440).

- c) *'Kilmersdon' Overhaul Fund*: On 21 January 2017, the Trustees agreed to designate hiring fees earned since 'Kilmersdon' was overhauled in 2012 to create a fund to provide funding for the 2021-22 overhaul. The overhaul was completed in 2022 and the fund was fully utilised leaving a small debit balance of £401. On 19 January 2023, the Trustees agreed to designate steaming fees earned since the 2022 overhaul in the first instance to offsetting this balance, and thereafter towards funding the next overhaul. Fees designated in 2023 were £9,379 (2022: £3,000).
- d) *Legacies*: This represents one legacy received in 2023 and a number received in prior years. The Trustees have agreed to designate these amounts whilst an appropriate use for the money is identified.
- e) *Baker memorial*: This represents donations received from the funeral of the Trust's late Chairman, Godfrey Baker in 2018. The Trustees have agreed to designate this amount whilst an appropriate use for the money is identified.
- a) *Exit from Washford*: On 22 January 2022, the Trustees agreed to designate donations from members received since the closure of the "Progressing Our Future" Appeal to create a fund to contribute towards the costs of evacuating Washford. This represents such donations for 2021 and 2022. Trustees consider this balance sufficient to meet the final expected liabilities in exiting Washford and will be fully utilised by the end of 2024.
- b) *53808 Tender Tank*: On 19 January 2023, the Trustees agreed to designate the net proceeds of the 2022 and 2023 Special Trains to contribute towards constructing a new tender tank for 53808 when this project gets underway as part of the upcoming overhaul.

21. Related party transaction

Mr Roger Hardingham is the owner of South West Publications Ltd, a supplier of Kingfisher railway books and DVDs. During 2023 the Trust and its subsidiary purchased goods to the value of £194 from and sold goods to the value of £229 to South West Publications Ltd (2022: £92 and £441 respectively). At 31 December 2023 £143 was owing to South West Publications Ltd (2022: £92), and £ Nil was owing to the Trust (2022: £441)

22. Post Balance Sheet event

The agreement with West Somerset Railway Heritage Trust. to sell them the workshop building, trackwork in the yard and land was finalised and signed on 30 January 2024 with effect from 1 February 2024.

Cover picture:

53808's last day in service – 4 November 2023 On the high embankment west of Four Marks village on the Mid-Hants Railway.

Photo by Rod Ormston

THE SOMERSET AND DORSET RAILWAY TRUST LTD.

England & Wales - Charity number 1158865

Accounts

THE SOMERSET & DORSET RAILWAY TRUST LTD

(A company limited by guarantee)

REPORT & FINANCIAL STATEMENTS

Year ending 31st December 2021



Charity number 1158865

Company number 8945535

Registered address:

The Railway Station, Washford, Watchet, Somerset TA23 0PP



Report of the Directors for the year ending 31 December 2021

The Trustees are pleased to present their annual Directors' report together with the financial statements of the charity for the year ending 31 December 2021 which are also prepared to meet the requirements for a Directors' report and accounts for Companies Act purposes.

The report of the directors has been prepared taking advantage of the small companies' exemption of section 415A of the Companies Act 2006.

Chairman's review

The year under review has seen the same level of activity as 2020, if not more. That will be clear from the content of the pages which follow. Highlights of the year have been progress with other heritage railways, particularly the Watercress line and the Somerset & Dorset Heritage Railway Trust. We agreed arrangements for displaying some of our collection at both railways and featured at their respective Gala weekends. In particular, the opening of the new joint museum at Alresford in October, was a significant achievement by both parties.

Management time spent on certain activities has been much greater than others, the negotiations which surrounded the new lease with the West Somerset Railway being a prime example. It was decided that a core of Trustees would be involved in day-to-day decisions, and they were ably aided by other members who had relevant skills, which included legal and business acumen. A key part of the Trust's strategy was the appointment of solicitors. The Board felt it was incumbent on the Directors to conduct the negotiations in as a professional and transparent way as possible and regarded taking legal advice not as an unwanted expense but as a wise investment.

As usual, a great deal has been conducted by a relatively small proportion of the membership. New membership applications, or renewals, often display the words "Too far away to help" and for many who would like to assist with the museum or restoration work this could well be the case. However, there is so much which can be carried out at home. Examples already exist, such as membership administration and the Annual Raffle. Roles yet to be filled include Company Secretary, Volunteer Coordinator, Fundraising, to name but three. The sustained increase in membership brings a greater responsibility for the Board to seek further human, as well as financial, resources.

I would like to pay tribute to George Judd, who passed away during the year after a lengthy illness. He was, perhaps, best known for the years he spent organising the Annual Raffle. However, his contribution goes much further back than that, having served on the then Committee for many years. As Ivo Peters might have said, a true friend of the S&D.

Now that the Trust has the time it needs to leave Washford in a timely and orderly fashion, we cannot now look back and it is not a time to be resentful or regretful. The Trust will be looking at new opportunities over the next year, in addition to those already underway, with renewed enthusiasm.

Ian Young (Chairman)

Purposes and activities

The charity's objects are specifically restricted to the following:

- to advance the education of the public about the history and social and economic impact of the Somerset & Dorset Railway, its antecedents and its successors, on local communities, in the context of Britain's railway heritage;
- to establish and maintain a museum for the benefit of the public relating to the Somerset & Dorset Railway and railway heritage generally, and to preserve or restore historic railway items for public display and demonstration;

- to provide or assist in the provision of facilities in the interests of social welfare for recreation or other leisure time occupation of all individuals, including those who have need of such facilities by reason of their youth, age, infirmity or disability, financial hardship or social circumstances, with the object of improving their conditions of life.

As a result of the exceptional events in 2020 the Trustees refined their strategic vision:

- The Trust is looking to exhibit its collection, both of rolling stock and museum artefacts, at locations and in a manner to attract a larger footfall and/or relevance to the 'S&D Story'.
- The Trust needs to make sure that its future operations are financially sustainable. The Trust is looking for collaborative partnerships with other like minded organisations.
- Its locomotives need to be operational in a manageable way so that they can continue to be used as flagships of the collection in realistic settings. The Trust recognises that its ability to undertake restoration and engineering work may be financially constrained for a period and will plan a restoration and maintenance programme for the next 10 years in line with this.
- The Trust is actively seeking to increase its educational role, making use of new locations and audiences to promote the S&D. It is also seeking to develop its research and archival function to provide an ever improving resource to modellers and railway historians.

In shaping its objectives for the year and planning its activities the Trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PB2)'.

In planning the programme for 2021, the Trustees paid particular attention to activities involving public benefit, primarily involving re-establishing museum displays to bring the "S&D Story" to the attention of a larger and wider audience. Details are incorporated into "Activities, Achievements and Performance" on page 3.

In order to do this the Trust worked to attract, encourage and support members and volunteers; secure financial resilience for the Trust; and build positive relationships and partnerships with related organisations. Trustees have worked on a forward action plan and have continued to evolve the established organisational structure with clear accountabilities.

Members and volunteers

The Trustees have increased the frequency of member communications via the website and Facebook, and by post in addition to the quarterly magazine, "Pines Express". The Board continues working to strengthen the Trust's volunteer management. Continued attention has been given to the Trust's membership database as a resource to identify and nurture future volunteers, as the Trust is now operating over a wider geographical footprint than in recent years. During 2021 it has been particularly pleasing to welcome new volunteers including a number of members local to Alresford to man the museum. During 2022 the Trust is looking for further volunteers within sensible travelling distance of its new museum locations to assist in a variety of roles. The Trustees are already conscious of the need to supplement its existing heritage, conservation and history volunteer base and administrative support. Now the future at Washford is clearly defined, Trustees are keen to reaffirm support and encouragement for the volunteers based there.

Activities, achievements and performance

Locomotives

53808 was in service at the Mid-Hants Railway fleet for much of the 2021 operating season. The MHR hire agreement runs until the end of the current boiler certificate on a daily steaming fee basis. The locomotive moved to Alresford in August 2020. In its first full year at MHR it was in steam for 70 days clocking up over 4,250 miles in service.

The pre existing 10 year operating agreement with the West Somerset Railway remains suspended for the period until the boiler certificate expires with the Trust retaining the cash for steaming fees on the strict understanding that it be made available for the overhaul of the locomotive. The suspension agreement clarifies WSR's requirement to provide funding which will reflect WSR's usage since the previous overhaul. The original agreement remains in place and WSR's contractual commitment to carry out the overhaul is unaffected.

Following the expiry of Kilmersdon's 10 year boiler ticket in January 2020 and Covid related delays it was transported by road from Helston to the Mid-Hants Railway in March 2021 where it was assessed for overhaul. Arising from this Trustees contracted with MHR to overhaul the locomotive, including purchase of new tyres at a cost not to exceed £45,000. It is expected that the overhaul will be completed in Spring 2022.

In June 2021 Trustees signed a hire agreement with MHR for Kilmersdon to be based at Ropley for the period of its next 10 year boiler certificate. This provides for it to be used by MHR on a daily steaming fee basis, and to be available for hire by the Trust to other heritage railways. A key part of the MHR usage will be for the locomotive to be used as "Percy" during their Thomas events and be painted green. Trustees have agreed on the strict understanding that the livery is "colliery green" as it was during its time at Kilmersdon Colliery. This arrangement should enable the locomotive to be financially secure through the full term of the next boiler certificate and provide funding for the 2032 overhaul.

Museum Collection and Collaboration Arrangements

Arrangements at the Mid-Hants Railway have crystallised during the year with eight vans and wagons having transferred to the MHR on long term loan arrangements, a number of museum artefacts have transferred, most of which form the basis of a museum display in Alresford Goods Shed, and the Burnham signal box which has transferred to Ropley. The museum was opened for the MHR October Gala with a provisional display, which will be worked on and upgraded for 2022. The museum is a joint venture with MHR with some MHR artefacts also on display and will be open every day the railway is operational.

Two wagons and the Binegar crane transferred to the North Dorset Railway at Shillingstone on long term loan. The wagons will be part of the NDR operational fleet.

The Peat Railway exhibits transferred to the Westonzoyland Pumping Museum on long term loan. The exhibits have been incorporated into the existing WZL displays.

In September the Trust signed an agreement with the Somerset & Dorset Heritage Railway Trust at Midsomer Norton to loan several museum artefacts. This was notable in that it was the first collaboration between the two Trusts since the S&DHRT was formed some 25 years ago. Some of the items are on long term loan, others on short term loan to be refreshed regularly with shorter term displays.

In March the Trust announced that it was entering a collaboration agreement with the Avon Valley Railway at Bitton to transfer some vehicles and some museum artefacts, on a long term loan basis, with the intention of creating a joint museum based principally in museum display vehicles. This arrangement is still being worked on with further progress expected in the first half of 2022.

Washford

On 11 February 2020 the Trust received notice via solicitors acting for West Somerset Railway plc to vacate Washford by February 2021. In October 2020, after a period of discussion between the parties, WSR offered the Trust an opportunity to stay at Washford on a 10 year lease. Given the advanced nature of collaboration plans elsewhere the Trust requested that the new lease be for the yard only and that the station be handed back to WSR. Although it had been anticipated that these negotiations would complete early in 2021, this was not the case. In the first instance WSR granted a six month extension of the notice to vacate to August 2021, but when it became clear that the August deadline was in jeopardy the Trust instructed its solicitors to lodge a Court claim including a defence against the Notice to Quit. This effectively gave a further four month period prior to serving the claim in which to agree a new lease.

By this time WSR's offer of a 10 year lease had been withdrawn and the parties agreed on a 2 year lease which was eventually agreed in principle at the end of November 2021 and formally signed and enacted on 20 January 2022. On that date the Trust relinquished the station building, and retained the right to remain at the Washford site until November 2023.

The Washford volunteer team have continued to work on a variety of projects and to keep the site clean and tidy. Although the station building has been cleared and effectively unused during the year activity in the workshops has included preparing a number of vehicles for transfer to their new locations, most notably considerable renovation work to the ex LMS Covered Carriage Truck which is currently expected to become one of the museum vehicles at Bitton on the Avon Valley Railway. As part of the station clearance the signalling display and equipment in the platform signal box, which was set up to recreate the Midford box, has been dismantled carefully and put into storage.

Fund Raising and Sales Income

Regrettably some Fund Raising Events were not able to be held in 2021. The Model Railway Exhibition in January was cancelled due to Covid restrictions and it was not possible to arrange a Special Train at the MHR. The Annual Raffle was reinstated with a new promoter, Brian Read, and the results were the best for many years with £5,763 (net) being raised for the "Progressing Our Future" Appeal. Washford Station has been closed throughout the year which has meant that no events could be held there. The Autumn Gala at MHR included a fund raising sales stall which was reasonably successful.

Sales income was reliant on a strong online presence for the second year running boosted by in house publishing and limited edition model wagons. In total sales income slightly exceeded that of 2020 at a similar overall gross margin.

Volunteer Management, Communications and Website

Identification of volunteers to assist with moving to and operating at its new museum sites has been a priority. Encouragingly several volunteers have offered to man the museum at Alresford. During the year the Trust benefitted from the enthusiasm and application of three new directors to clearing Washford station and signal box and physically transporting museum items to their new locations. Work continued to strengthen the resilience of the Trust and to ensure an appropriate range of skills and interests is represented in the management of the Trust.

Communications to members have continued via the website, Facebook, and newsletters in addition to the quarterly "Pines Express". During the year a website blog was added which provides detail of progress with our moves and work currently being undertaken.

The ecommerce site migrated to an updated platform, Woocommerce, in April 2021 and advantages from this change are being systematically implemented across the whole website.

Resilience and Governance

Despite the heavy workload of moving the collection and vacating Washford Trustees have continued work on the structure and governance of the Trust. The events of the last two years have brought about an increased resilience. It has highlighted the need to ensure succession planning, and to encourage officers and Trustees with appropriate skills to step forward so that the Trust can prosper in the future, taking account of the increased locomotive hire activity, greater online sales activity and the new challenges of working on multiple sites.

Funding and Appeals

The "Progressing Our Future" Appeal has been successful in raising sufficient funds (over £47,300 including Gift Aid) to transfer the collection to new locations. As a result, the Appeal was closed formally as at 30 September 2021. Donations received since then are being designated to contribute towards the potential costs of evacuating Washford. Trustees have been encouraged by and are immensely grateful to the large number of members and well wishers who have donated to the appeal.

Trustees have considered the funding requirements of other projects, notably for Kilmersdon's overhaul, where a significant donation has been promised and commercial arrangements entered into with Mid Hants Railway to ensure sufficient funding is available, and for 53808's overhaul which will be due in 2023. Other projects such as restoration of Coaches 98 and 114 and any project expenditure with collaboration partners have been deferred until the position on current projects is clearer.

Impact of Covid-19

Unlike in 2020 it has been possible for the Washford volunteer team to convene weekly right through the year, observing social distancing and hygiene protocols. The West Somerset Railway did operate trains for part of the season but no trains stopped at Washford.

All the fund raising events were cancelled, with the exception of the Annual Raffle, the draw for which was conducted remotely. It was not possible to take the sales stall to a number of steam rallies, model railway exhibitions and similar, although attendance at two galas at the Mid-Hants Railway did occur.

It was again not possible to hold a physical Annual General Meeting and a Zoom meeting was held on 24 April. This was attended by 48 members from around the country. The Trustees met by Zoom video conference on 11 occasions and recommenced in person bi-monthly meetings in July, albeit with a Zoom attendance option.

Whilst stall sales remained at a dramatically reduced figure the large increase in online sales experienced in 2020 was improved upon in 2021.

Financially, the Trust has not been hit as hard as many charities as many of its income streams were unaffected by the lockdown. As our finances are strong enough, and the challenges we face are not Covid related, we have not been able to apply for Cultural and Heritage Recovery grants in 2021.

Membership

Membership of the Trust has consolidated the significant increase seen in 2020 and increased further to 782, up from 755. There were 81 new memberships in the year.

Regulatory Inspection

Office of Road and Rail inspectors visited the site in December 2020 and carried out a full and successful inspection. The Trust has agreed with ORR on all matters raised to operate the site on the basis of a new lease with WSR being in place. In reality there are likely to be only sporadic operations prior to leaving the site.

Pines Express' and website

The 'Pines Express' magazine continues to be successful, and particularly praised by new members. A high standard of articles and member research has enabled the increased size to 44 pages to be maintained throughout the year. An online historical index for the "Pines Express" and its predecessor publications has been made available to members during the year. The website has benefitted from the upgrade to the ecommerce site and together with the Facebook page has proved invaluable in keeping members and others up to date with news during the year. An innovation in 2020 was the appearance of a website blog which has highlighted work done at Washford, progress with our various moves and the progress of our steam locomotives.

Sales Developments

The online ecommerce site had yet another record year. There have been three in house publications during the year – an updated and reintroduced "53808 – a Somerset & Dorset Engine", a second print run of the reprinted "Southbound with the Pines" and just before the end of the year a new publication "Steam Locomotive Performance on Somerset & Dorset and Wessex lines". This latter title is from articles by Anthony Davies first published in the "Pines Express" over many years supplemented by other similar material relating to other Wessex lines.

During the year, Dapol produced exclusive limited runs for the Trust both in "O" and "OO" gauge of two private owner wagons in the liveries of "Read and Son" of Binegar and "John Board & Co Ltd" of Dunball.

These initiatives continue to be very successful, and in doing so attract a wider clientele to the website.

Photographic Collection

Progress has continued in digitising and cataloguing the Trust's photographic collection. The number of images available for purchase via the website is now over 1,000.

Organisation structure

The Trust adopted an organisation structure which is reviewed regularly. In 2021 it has evolved to encompass new and revised roles which are and will be required as a result of new collaborations and revised methods of operating in the future. In 2021 the Board assigned responsibility for planning and implementing the exit from Washford to Mark Stanistreet. For the period that Chris Ruddick was on the board he was responsible for planning the move of the museum collection to new sites and keeping the remainder of the collection safely. We were fortunate in securing Andy Norman's services to take over as Secretary in January 2021 but he felt unable to continue in post in August 2021. The opening of the new museum display at Alresford has generated considerable interest and we have been successful in recruiting a small number of volunteers to assist with manning the museum and developing the displays. We have also secured the assistance of local members who are prepared to assist with the potential move to Avon Valley Railway.

The Trustees have identified the need to recruit further volunteers at its new sites, volunteers to provide support in administrative, sales and financial areas and most importantly on the museum side. Trustees continue to welcome offers to volunteer from members and others to assist the Trust in whatever way they can.

Current board responsibilities are shown on page 9.

Financial review

There was a net inflow of £12,204 in the year boosted by Appeal donations, locomotive hire fees, and net sales income. Of the closing unrestricted funds balance, £35,230 is in the General fund with the remainder designated (see note 16 for details). Restricted funds increased from £28,940 to £35,229 as a result of Appeal funds held which will be utilised in 2022.

The financial impact of Covid lockdowns and restricted activity has had only limited impact on the Trust's finances in 2021. Income from Sales held up well with continuing reduced event sales being offset by higher online sales. Income from fund raising events was badly hit but it is hoped that this will be substantially restored in 2022. The Trust has been fortunate that the largest current income and expenditure stream is locomotives which has not been impacted by the pandemic in 2022. The Trust will be able to withstand pandemic related impacts at the level experienced this far financially for a period of at least two years.

In 2016, the Trustees determined that a minimum of 4 months of unrestricted general expenditure should be held in reserves. At the end of 2021 this threshold was exceeded at 5.4 months. It is anticipated that the future position will exceed the 4 month threshold.

It is policy to invest funds at United Trust Bank and CCLA. At December 31 2021, £58,000 was held at CCLA in a no notice deposit, and £64,001 was held at United Trust Bank in two 12 month charity bonds maturing in June 2022 and December 2022 earning interest at a fixed rate of 0.85% and 1.25% respectively.

The Trustees have concluded from their review of financial activities and forward expenditure requirements, including the potential impact of further Covid restrictions and the various impacts of moving the museum collection and rolling stock, that the charity is a going concern and accounts have been prepared on this basis. Review of financial performance is an important agenda item at Trustees' meetings.

Plans for future periods

Plans for 2022 include:

Locomotives

53808 will continue as a mainstay of the Mid Hants Railway, but as the locomotive is in the final year of its 10 year boiler ticket it is to be expected that operational difficulties with the locomotive may arise more frequently.

Later in the year Trustees will look to open discussions with the West Somerset Railway regarding the 10 year overhaul.

Kilmersdon is expected to return to service in Spring 2022 and be operational at the Mid Hants Railway. Once the locomotive is fully run in consideration will be given to appropriate external hiring arrangements.

Museum Collection and Collaboration Arrangements

The joint museum with the Mid-Hants Railway at Alresford will be developed further prior to the operating season and advantage taken of educational and publicity initiatives where appropriate. The Burnham Signal Box will have a suitable museum display installed at Ropley. Further cooperation with MHR will be explored.

The joint museum with the Somerset & Dorset Heritage Railway Trust at Midsomer Norton will be reviewed during the year, a new short term display installed and educational and publicity initiatives explored. Current discussions regarding further cooperation will be developed in a manner that benefits both Trusts.

The proposed collaboration agreement with the Avon Valley Railway will be negotiated in the first half of the year with the objective of moving items to Bitton before the end of 2022.

Trustees remain open to other collaborative opportunities.

Washford

The Trust has agreed a 2 year lease with the West Somerset Railway plc which was eventually signed and enacted on 20 January 2022. On that date the Trust relinquished the station building, and retained the right to remain at the Washford site until November 2023.

Safe and secure transfer of assets to new locations is a priority and an orderly plan for evacuating the site will be put into effect. A comprehensive work programme is being drawn up and implemented.

Remaining operation of the site, and in particular the movement of stock, is strictly in accordance with the requirements of the Office of Road and Rail and prevailing Health & Safety legislation.

Fund Raising and Sales Income

Fund Raising Events will be reinstated as soon as possible. Whilst the Model Railway Exhibition in January 2022 had to be cancelled it is hoped to hold an exhibition later in the year. A special train for members and guests at the Mid-Hants Railway is being organised for the 56th Anniversary of closure of the line on 6th March 2022. Plans for the Annual Raffle are well advanced and funds will be raised to go towards a new tender tank for 53808.

Opportunities at MHR and elsewhere to have a sales stall and other fundraising will be taken up.

The trust will continue to create Retail Sales opportunities online by careful introductions of further of its own publications and limited edition model wagons.

Volunteer Management

During the next two years there will be a requirement for additional assistance in a number of areas. Trustees will pursue a programme of identifying and recruiting volunteers to assist with moving from Washford and at its new sites. Volunteers will also be required to assist with operations at those new sites.

There is a need to supplement our current volunteers working in administration and fund raising, finance, museum and curatorial positions.

Work will continue to strengthen the resilience of the Trust and to ensure an appropriate range of skills and interests is represented in the management of the Trust.

Communications and Website

Communications to members and the wider heritage railway movement remain vital during this period of transition. Attention will be given to keeping members informed by email, newsletters and in the "Pines Express". The website will be enhanced as new facilities become available and the Trust can harness them to its advantage.

Photographic Collection and Digitisation of records

The digitisation and availability of the Trust's photo library will continue to be worked on. Opportunities to add to the Trust's collection of unique images will be pursued carefully.

Resilience and Governance

Trustees will continue their work on the structure and governance of the Trust. In particular a review of the Articles of Association and a review of the Collection and Disposals Policies have been commenced and will be discussed at an early Board meeting in 2022 and updated as appropriate. In parallel to this a comprehensive Strategy Review, which will include member consultation, is being prepared and will form the focus of Trustees' discussions through the year. Work is well advanced on creating a retail sales trading subsidiary and to register the Trust for Valued Added Tax.

Future resilience will involve Trustees taking full account of new working arrangements as we exit Washford, particularly the challenges of working on multiple sites.

Funding and Appeals

A small fundraising group will be set up to coordinate future funding requirements to be identified in the Strategic Review and to consider the optimal means of raising funds for projects in the short to medium term such as the costs of moving from Washford, assuring the future of locomotive 53808 and project expenditure with collaboration partners.

Administrative details

The Directors of the charitable company (the charity) are its Trustees for the purpose of charity law. The Trustees and principal officers serving during the year and since the year end, together with the portfolios currently held are:

<i>Elected Directors and Trustees</i>	I M Young	Chairman	(Governance, Volunteers)
	A N Davies		(Sales, Washford Site)
	R C Hardingham		(Locomotives ,Rolling Stock)
	A Norman	(elected 24 April 2021; resigned 9 August 2021)	
	R D W Ormston		(Communications)
	M J Rice		(Finance)
	C Ruddick	(elected 24 April 2021; resigned 27 September 2021)	
	M Stanistreet	(elected 24 April 2021)	(Health & Safety; Washford Move Project)
	P J C Trenchard		(Partnerships, Heritage)
Secretary	A Onibonoje	(resigned 8 January 2021)	
	A Norman	(appointed 29 January 2021; resigned 9 August 2021)	

Principal Officers

Health & Safety Officer	M Stanistreet
Magazine Editor	R D W Ormston
Membership Secretary	A J M Young
Museum Collections Assistant	S R Gillett
Museum Displays Coordinator	D Temple
Strategic Adviser	D Meaden
Treasurer	M J Rice
Webmaster	A Beale
Washford Restoration Team Leader	E L Lambe
Charity number	1158865
Company number	8945535
Registered Office	The Railway Station, Washford, Watchet, Somerset TA23 0PP

Advisers

Independent examiner	Martin & Co	Bridport
Bankers	HSBC Bank plc	Yeovil
Solicitors	Nantes	Weymouth

Structure, Governance and Management

Governing Document

The Somerset & Dorset Railway Trust Ltd is a company limited by guarantee governed by its Memorandum and Articles of Association dated 14 August 2014. It is registered with the Charity Commission. Existing members of the Somerset & Dorset Railway Trust transferred to the present Trust when the charities were listed on the Register of Mergers on 4 March 2015. New members apply for membership. In the event of the charity's dissolution, members resolve that any net assets will be passed directly for the objects, or any charity for purposes similar to the objects or to any charity for use for particular purposes that fall within the objects. Members are liable up to £10 per member for any debts remaining after dissolution.

Appointment of Trustees

As set out in the Articles of Association the Chairman of Trustees is appointed by the Trustees. Trustees are elected in rotation for three years by members either in person at the AGM or by proxy vote. The Trustees have the power to co-opt Trustees who stand until the following AGM.

All members are circulated with invitations to nominate Trustees prior to the AGM advising them of the retiring Trustees and requesting nominations for the AGM. When considering appointing Trustees the Board has regard to the requirement for any specialist skills needed.

Trustee induction and training

New Trustees are briefed on: their legal obligations under charity and company law, the Charity Commission guidance on public benefit, and informed of the content of the Memorandum and Articles of Association, the Board of Trustees and decision making processes, the business plan and recent financial performance of the charity. Trustees attend appropriate external training events where these will facilitate the undertaking of their role.

Organisation

The Board of Trustees administers the charity. To facilitate effective operations, the Board has authority to delegate certain operational matters to working groups and volunteer officers. During the pandemic the Board has met online on a more regular basis. Towards the end of 2021 the Board has started to transition back to fewer regular face to face meetings, whilst retaining the option for online meetings. Other officers attend Board meetings as required.

Related parties and co-operation with other organisations

None of the Trustees receive remuneration or other benefit from their work with the charity. Any connection between a Trustee or senior officer of the charity with a related party must be disclosed to the full Board of Trustees in the same way as any other contractual relationship with a related party. Details of related party transactions are disclosed in note 17 to the accounts. In accordance with Trust policy Trustees withdraw from decisions where conflicts of interest arise.

Risk management

The Trust has identified a number of risks which are more numerous than has been the case in past years. Trustees address these risks regularly and ensure that adequate monitoring and mitigation is in place to deal with them.

Short term heightened level of risk:

- potential inability to exit Washford before the end of the lease
- breakdown of one or more collaborations leading to difficulties in housing museum and vehicle collection
- potential inability to recruit volunteers for exit and relocation work and at new locations
- ability to retain existing volunteer base is key to keeping the Trust on an even keel during a period of change

Medium term risk:

- the successful overhaul of 53808 expected to commence in 2023 is critically dependent on WSR being able to meet its contractual liabilities
- a newly dispersed collection presents new challenges in keeping track of all museum items
- the ability to keep true to the Trust's objectives in a changed environment
- the ability to retain an individual identity across a number of locations and activities
- the ability to fund all planned programmes may not be possible

Impact of macro risks on Trust:

- the future of the heritage railway movement faces unprecedented challenges as a result of climate change, eradication of fossil fuels and the ability to recover fully post Covid. Whilst spreading the risk across multiple arrangements with different partners, the Trust is exposed to more uncertainty if any of those partners fail to recover as is currently anticipated
- whilst the Trust is currently able to withstand the financial effects of the Covid pandemic this cannot be sustained indefinitely.

Other risks are being addressed by maintaining up to date risk assessments of Trust activities, contingency planning where appropriate, emphasis of safe working practices and the development of, maintenance of, adherence to and monitoring of robust policies and regular training.

Trustees' responsibilities in relation to the financial statements

The charity Trustees (who are also Directors of The Somerset & Dorset Railway Trust Ltd for the purposes of company law) are responsible for preparing a Trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity Trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including income and expenditure, of the charity for the period. In preparing the financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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

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

Statement as disclosure to the independent examiner

In so far as the Trustees are aware at the time of approving the Trustees' annual report:

- There is no relevant information, being information needed by the independent examiner in connection with preparing their report, of which the independent examiner is unaware, and;
- The Trustees, having made enquiries of fellow Directors and the independent examiner that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a Director in order to make themselves aware of any relevant information and to establish that the independent examiner is aware of that information.

By order of the Board of Trustees



I M Young (Chairman)

12 March 2022



INDEPENDENT EXAMINER'S REPORT

To the Trustees of The Somerset & Dorset Railway Trust Ltd on the accounts for the year ended 31st December 2021.

This report is made solely to the charity's trustees. My examination work has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in an examiners' report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for my work, for this report, or for the opinions I have formed.

Respective responsibilities of Society Board Members and the examiner

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 (the 2022 Act). In carrying out my examination, I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Basis of Independent Examiner's statement

An examination includes a review of the accounting records kept by the Company and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the Board Members concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the accounts.

Independent examiner's statement

In the course of my examination, no matter has come to my attention

- a) which gives me reasonable cause to believe that, in any material respect, the Board Members have not met the requirements to ensure that :
 - i) proper accounting records are kept
 - ii) accounts are prepared which agree with the accounting records and comply with generally accepted accounting requirements; or
- b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Signed 

Date 9th March 2022

Name Bruce Reginald Kenway

Chartered Certified Accountant

Address 2, VICTORA GROVE, BRIDPORT, DORSET, DT6 3AA

THE SOMERSET & DORSET RAILWAY TRUST LTD

STATEMENT OF FINANCIAL ACTIVITIES

for year ending 31st December 2021

	Notes	2021 Unrestricted Funds £	2021 Restricted Funds £	2021 Total Funds £	2020 Total Funds £
INCOMING RESOURCES					
Subscriptions		11,818		11,818	12,055
Donations and grants	3	8,464	11,826	20,290	49,081
Charitable activities	4	1,640	7,050	8,690	3,871
Other activities	5	43,536		43,536	16,377
Investment income	6	295		295	381
Total incoming resources		<u>65,753</u>	<u>18,876</u>	<u>84,629</u>	<u>81,765</u>
RESOURCES EXPENDED					
Expenditure on charitable activities	7	57,086	9,246	66,332	26,672
Cost of generating funds	8	0	1,287	1,287	1,126
Governance and support costs	9	2,752	2,054	4,806	7,220
Total resources expended		<u>59,838</u>	<u>12,587</u>	<u>72,425</u>	<u>35,018</u>
Net incoming resources for the year before transfers		5,915	6,289	12,204	46,747
Transfers between funds		0	0	0	0
Net incoming resources for the year		5,915	6,289	12,204	46,747
Accumulated fund brought forward	16	103,484	28,940	132,424	85,677
Accumulated fund carried forward	16	<u>109,399</u>	<u>35,229</u>	<u>144,628</u>	<u>132,424</u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

THE SOMERSET & DORSET RAILWAY TRUST LTD

BALANCE SHEET

as at 31st December 2021

	Notes	2021 £	2020 £
FIXED ASSETS			
Tangible Assets	11	19,695	11,993
Investments	12	1	1
CURRENT ASSETS			
Retail stock		3,782	3,387
Debtors and prepayments	13	16,234	11,602
Bank deposits		122,001	73,787
Bank & cash in hand		10,232	39,664
		<u>152,249</u>	<u>128,440</u>
LESS			
CURRENT LIABILITIES			
<i>Falling due within one year</i>			
Creditors and accruals	14	19,354	2,552
Deferred income	15	7,963	5,458
		<u>27,317</u>	<u>8,010</u>
NET CURRENT ASSETS		124,932	120,430
NET ASSETS		<u>144,628</u>	<u>132,424</u>
REPRESENTED BY:			
Unrestricted funds	16	109,399	103,484
Restricted funds	16	35,229	28,940
ACCUMULATED FUNDS		<u>144,628</u>	<u>132,424</u>

The notes at pages 16 to 22 form part of these accounts

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

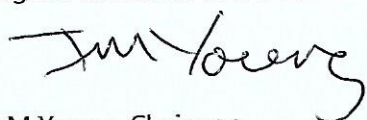
For the year ending 31 December 2021 the company was entitled to exemption from audit under Section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with Section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements were approved and authorised for issue by the Board on 12 March 2022

Signed on behalf of the board of directors



I M Young, Chairman

12 March 2022

THE SOMERSET & DORSET RAILWAY TRUST LTD

NOTES ON THE ACCOUNTS

1. Accounting Policies

- a. *General information and basis of preparation* The Somerset & Dorset Railway Trust Ltd is a company limited by guarantee incorporated in England within the United Kingdom. The address of the registered office is given in the company information on page 10 of these financial statements. The financial statements are presented in sterling which is the functional currency of the company. The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.
- b. *Preparation of the accounts on a going concern basis* The accounts have been prepared on a going concern basis as the Trustees have no material uncertainties about the charity's ability to continue operating.
- c. *Income recognition policies* Items of income are recognised and included in the accounts when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met or fully within the control of the charity, there is sufficient certainty that the receipt of the income is considered probable and the amount can be measured reliably. Income received in advance, such as future year membership subscriptions, is deferred until the criteria for income recognition are met. Since the amount and timing of receipt of legacy income are unpredictable, it is accounted for only when received.
- d. *Donated services and facilities* The value of items received as donations to the charity would be difficult to quantify, and therefore not assessed. Consequently, they are not included in the accounts.
- e. *Interest receivable* Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity.
- f. *Fund accounting* Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the Trustees have decided at their discretion to set aside for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular activities of the charity.
- g. *Expenditure and irrecoverable VAT* Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that a settlement will be required and the amount of the obligation can be measured reliably. Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.
- h. *Heritage assets* Accounting standard FRS30 applies to all heritage assets that are held principally for their contribution to knowledge and culture, having historical and other qualities. In 1988 the net book value of all items then classified as museum items, including steam locomotive 53808, was written off as an expense in order to comply with museum regulations prevailing at that time.
- i. *Tangible fixed assets* Individual fixed assets are capitalised at cost and are depreciated over their estimated useful economic lives on a straight line basis as follows:

<i>Asset Category</i>	<i>Annual Rate</i>
Land	Nil
Buildings & Trackwork	10%
Rolling Stock	5 %
Engineering Equipment	10 – 20%
Office & Other Equipment	10 – 20%

Steam locomotives owned by the charity are not capitalised and details by individual asset are found at Note 11.

- j. *Stock* Stock of books, DVDs and other items for resale is included at the lower of cost or net realisable value.
- k. *Debtors* Debtors are recognised at the settlement amount due after any discount offered. Prepayments are valued at the amount prepaid after taking account of any discounts due.

- l. *Cash at bank and in hand* Cash at bank and in hand includes cash and short term highly liquid investments.
- m. *Creditors and provisions* Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in a transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably and are recognised at their settlement value after allowing for any discounts due.

2. Legal Status of the Charity

The charity is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is restricted to a maximum of £10 per Trustee.

3. Income from donations and grants

	Notes	2021 Unrestricted Funds £	2021 Restricted Funds £	2021 Total Funds £	2020 Total Funds £
General donations		4,436		4,436	3,830
Grants and specific donations	16	0	7,511	7,511	38,535
Gift Aid		2,027	4,315	6,342	6,716
Legacies	16	2,001		2,001	0
		8,464	11,826	20,290	49,081

Details of the income into specific restricted funds can be found in Note 16.

The charity greatly benefits from the involvement and enthusiastic support of its many volunteers, details of which are given in the annual report. In accordance with accounting standards, the economic contribution of volunteers is not measured in the accounts.

4. Income from charitable activities

	2021 Unrestricted Funds £	2021 Restricted Funds £	2021 Total Funds £	2020 Total Funds £
Raffle		7,050	7,050	0
Model railway display	0		0	2,666
S&D 200 Club	1,640		1,640	1,205
	1,640	7,050	8,690	3,871

5. Income from other activities

	Notes	2021 Unrestricted Funds £	2021 Restricted Funds £	2021 Total Funds £	2020 Total Funds £
Retail Sales		23,193		23,193	20,226
Less : Cost of Sales:					
Stock 1 January		3,387		3,387	3,460
Add: Purchases		12,066		12,066	9,990
Less: Stock 31 December		(3,782)		(3,782)	(3,387)
		11,671	0	11,671	10,063
Gross Profit		11,522	0	11,522	10,163
Less: Post, packing and sundry costs		3,108		3,108	2,700
Retail sales contribution		8,414	0	8,414	7,463
Photo collection income		472		472	249
Loco hire and other income	11, 16	34,650		34,650	8,665
		43,536	0	43,536	16,377

6. Investment income

All investment income arises from money held in interest bearing deposit accounts.

7. Expenditure on charitable activities

	Notes	2021 Unrestricted Funds £	2021 Restricted Funds £	2021 Total Funds £	2020 Total Funds £
Magazines		8,903		8,903	7,873
Insurance		4,717		4,717	3,904
Museum electricity		1,854		1,854	2,218
Museum rent, water, phone etc.		1,525		1,525	1,473
Museum safety and security		1,540		1,540	1,911
Museum maintenance		130		130	2,053
Shed, track, equipment maintenance	16	598		598	631
Washford relocation costs			9,246	9,246	
Locomotive maintenance		6,454	0	6,454	3,108
Locomotive overhaul		26,147		26,147	
Carriage maintenance		23		23	482
Wagons maintenance		1,774		1,774	0
Website, publicity, other events	13	1,710		1,710	823
Museum displays and administration		363	0	363	692
Depreciation	11	1,348		1,348	1,504
		57,086	9,246	66,332	26,672

8. Cost of generating funds

	2021 Unrestricted Funds £	2021 Restricted Funds £	2021 Total Funds £	2020 Total Funds £
Cost of generating funds - Raffle		1,287	1,287	0
- Model Railway Display	0		0	1,126
	0	1,287	1,287	1,126

9. Governance and support costs

	2021 Unrestricted Funds £	2021 Restricted Funds £	2021 Total Funds £	2020 Total Funds £
AGM and board meetings	469		469	703
HRA subs, travel, stationery, postage	859	0	859	870
Trustees' travel expenses	105		105	323
Legal and Professional fees		2,054	2,054	3,968
Membership administration	923		923	978
Examiner's fee and expenses	396		396	378
	2,752	2,054	4,806	7,220

The charity has no paid employees (2020: None).

The charity Trustees were not paid nor received any other benefits from the charity (2020: None). No Trustee were reimbursed expenses in attending Trustees' meetings (2020: None) in accordance with procedures laid down by the Trustees. No charity Trustee received payment for professional or other services supplied to the charity (2020: None)

10. Heritage assets

In 1988 all items then classified as museum items were written off as an expense in order to comply with museum regulations prevailing at that time. This amounted to £2,940 historical cost, £2,581 net book value. Since then the cost of additional museum items has been written off as an expense against income when incurred, totalling £20,800 to the end of 2021. No asset value is carried in the accounts for heritage assets held by the charity, whether obtained by purchase or donation.

The charity's collection of museum exhibits also includes donated items. The charity has a museum collection acquisitions and disposals policy, adopted by the Trustees in July 2015. Detailed records of the collection are kept.

11. Tangible fixed assets

	Totals	Buildings, Land & Trackwork	Rolling stock	Engineering equipment	Office & other equipment
Cost	£	£	£	£	£
Brought forward	152,089	91,503	13,375	15,124	32,087
Additions in the year	9,072	8,622	0	0	450
Disposals in the year	(54)	0	0	0	(54)
Carried forward	161,107	100,125	13,375	15,124	32,483
Depreciation					
Brought forward	140,095	87,833	10,649	15,026	26,587
Disposals in the year	(32)	0	0	0	(32)
Charge for the year	1,348	45	157	49	1,097
Carried forward	141,411	87,878	10,806	15,075	27,652
Net Book Value					
31st December 2020	11,993	3,670	2,726	98	5,500
31st December 2021	19,695	12,247	2,569	49	4,831

The charity owns two steam locomotives. Both locomotives are operational and do not qualify to be treated as heritage assets.

Locomotive 53808 had a book cost of £42,635 in 1988 when it was written out of the accounts, along with the heritage assets. It is subject to a long term hire agreement with West Somerset Railway plc whereby the hirer is responsible for all maintenance and overhaul costs. The current agreement expires on 30 April 2030. In 2020 the West Somerset Railway agreed to suspend the agreement for a period up until the boiler certificate runs out, currently expected to be at the end of 2022. The Trust has entered into a short term agreement with Mid-Hants Railway Ltd to hire the locomotive for this period, and is responsible for invoicing and collecting steaming fees from Mid-Hants Railway. In 2021 income includes £34,650 in respect of hiring fees for 53808 (see note 5) (2020: £7,920).

Locomotive 'Kilmersdon' was acquired in 2010 at nil cost after many years on loan. Overhaul costs in 2011-2012 (£37,000) and minor costs since then were treated as an expense. The next overhaul commenced in 2021 and costs of £26,147 were expensed.

12. Investments

The charity holds 5,150 shares in West Somerset Railway plc which were donated in previous years. These shares are considered to have no marketable value.

13. Debtors

	2021 £	2020 £
Prepaid website costs	1,665	1,110
Prepaid insurance	4,720	3,019
Other prepaid expenses	1,430	1,569
Accrued income	8,419	5,904
	16,234	11,602

14. Creditors: amounts falling due within one year

	2021 £	2020 £
Creditors	16,422	1,043
Accruals	2,932	1,509
	19,354	2,552

15. Deferred income

Deferred income comprises subscriptions received in advance for the following year, and, in 2020, for payment received in respect of security deposit received from Helston Railway Preservation Company Ltd in respect of hire of 'Kilmersdon'.

16. Analysis of charitable funds

Movements in restricted funds

	Opening Balance 01/01/2021 £	Incoming Resources £	Resources Expended £	Transfers in year £	Closing Balance 31/12/2021 £
Restricted Funds					
Museum Collection	620	0	0		620
Kilmersdon Tyres	3,053	0			3,053
Coach Restoration	3,727	0	0		3,727
Progressing Our Future Appeal	21,540	18,876	(12,587)		27,829
Total Restricted Funds	28,940	18,876	(12,587)	0	35,229

- a) *Museum Collection*: This represents a single specific donation for the acquisition of appropriate items for the Trust's museum collection and display at Washford. There has been no expenditure in 2021 (2020: £180).
- b) *Kilmersdon Tyres Fund*: The net proceeds of the 2018 raffle were restricted for the purpose of renewing the tyres on Kilmersdon's driving wheels. The proceeds have been set aside to meet this anticipated liability which will be utilised in full in 2022.
- c) *Coach Restoration Fund*: The net proceeds of the 2019 raffle were restricted for the purpose of restoring vintage coaches 98 and 114. The proceeds have been set aside to meet anticipated liabilities when this project gets underway.
- d) *'Progressing Our Future' Appeal*: This appeal was launched in April 2020 to take the Trust forward into the next period of its long existence whilst meeting the many challenges facing it in the near future including the consequences of the WSR Notice to Leave and the Covid-19 pandemic. The Appeal was closed in September 2021 (see page 5). Receipts, including Gift Aid, were £18,876 in 2021 (2020: £28,646) and costs, including legal and professional fees, rolling stock and locomotive move costs, museum collection safety and move costs and Washford exit costs were £12,587 in 2021 (2020: £7,106). It is likely that the balance of £27,829 will be utilised in full over the course of the next 2 years.

Movements in unrestricted funds

	Opening Balance 01/01/2021	Incoming Resources	Resources Expended	Transfers in year	Closing Balance 31/12/2021
	£	£	£	£	£
Unrestricted Funds					
General Fund	42,524	26,397	(33,691)		35,230
Designated Funds:					
Coach Restoration (including coaches 98/114)	12,628				12,628
53808 Overhaul	7,920	34,650			42,570
Kilmersdon Overhaul	27,063	0	(26,147)		916
Legacies	12,945	2,001			14,946
Baker Memorial	404				404
Exit from Washford		2,705			2,705
Total Unrestricted Funds	103,484	65,753	(59,838)	0	109,399

- a) *Coach Restoration Designated Fund (including coaches 98 & 114)*: During 2014 the Trustees agreed to set aside £38,700 from Unrestricted General funds to cover full restoration of Coach 4, and restoration of the two other vintage coaches (98/114). After the completion of Coach 4 in 2016 a balance of £12,628 is therefore available to contribute towards the restoration and/or conservation of the two remaining unrestored vintage coaches.
- b) *53808 Overhaul Fund*: On 15 January 2021 the Trustees agreed to designate hiring fees earned whilst 53808 is on hire at Mid-Hants Railway to create a fund to contribute towards funding for the next overhaul which is due following the expiry of the 10 year boiler ticket currently expected to be at the end of 2022. Fees designated in 2021 amount to £34,650 (2020: £7,920).
- c) *'Kilmersdon' Overhaul Fund*: On 21 January 2017 the Trustees agreed to designate hiring fees earned since 'Kilmersdon' was overhauled in 2012 to create a fund to provide funding for future overhauls. The next overhaul has now commenced and costs of £26,147 were incurred in 2021. This fund will be utilised in full in early 2022.
- d) *Legacies*: This represents one legacy received in 2021 and a number received in prior years. The Trustees have agreed to designate these amounts whilst an appropriate use for the money is identified.
- e) *Baker memorial*: This represents donations received from the funeral of the Trust's late Chairman, Godfrey Baker in 2018. The Trustees have agreed to designate this amount whilst an appropriate use for the money is identified.

- f) *Exit from Washford*: On 22 January 2022 the Trustees agreed to designate donations from members received since the closure of the "Progressing Our Future" Appeal to create a fund to contribute towards the costs of evacuating Washford. Since 1 October 2021 these have amounted to £2,705.

17. Related party transaction

Mr Roger Hardingham is the owner of Kingfisher Productions, a supplier of railway books and DVDs. During 2021 the Trust purchased goods to the value of £303 from, and sold goods to the value of £88 to Kingfisher Productions (2020: £528 and £Nil respectively). At 31 December 2021 £154 was owing to Kingfisher Productions (2020: £Nil), and £88 was owing to the Trust (2020: £Nil)

18. Post balance sheet event

On 20 January 2022 the Trust signed and enacted a 2 year lease for the yard at Washford. On that date the Trust relinquished the station building, and retained the right to remain at the Washford site until November 2023. There was no material financial impact in 2021 arising from this transaction.

Cover picture:

Ian Young, Chairman of the Trust (right) and Richard Lacey, Chairman, Mid-Hants Railway Ltd. pictured on the platform at Alresford on 15 July 2021 when a large quantity of Trust museum artefacts were delivered to Alresford, marking the start of a major new chapter for the Trust.

Picture: David Temple

THE SOMERSET AND DORSET RAILWAY TRUST LTD.

England & Wales - Charity number 1158865

Accounts

THE SOMERSET & DORSET RAILWAY TRUST LTD

(A company limited by guarantee)

REPORT & FINANCIAL STATEMENTS

Year ending 31st December 2020



Charity number 1158865

Company number 8945535

Registered address:

The Railway Station, Washford, Watchet, Somerset TA23 0PP



Report of the Directors for the year ending 31 December 2020

The Trustees are pleased to present their annual Directors' report together with the financial statements of the charity for the year ending 31 December 2020 which are also prepared to meet the requirements for a Directors' report and accounts for Companies Act purposes.

The report of the directors has been prepared taking advantage of the small companies' exemption of section 415A of the Companies Act 2006.

Chairman's review

The Trust has completed one of the most extraordinary and challenging years in its history. The nearest comparison would be the move from Radstock in 1974 to the then fledgling West Somerset Railway plc. It has been the relationship between the Trust and its landlord which has dominated the activities of the Trustees. Receiving a notice to quit rented premises is never going to be a welcome experience. This was especially the case for the S&DRT, an established charity which had invested so much time, energy, and resources over forty years. The amount of disruption to the routine management of the Trust was considerable. Development plans were halted. Then came the COVID-19 pandemic, eventually stopping all activities though Washford volunteers were able carry out some activities during the summer. More detail of the Trust's responses to both challenges will be found on page 4.

Out of adversity came unexpected support. This came from the existing membership and it soon became apparent that many new applications were being received. Many of these new members brought skills and offers of help. Others just wanted to show solidarity and did so from near and far. As unexpected and reassuring were the approaches and enquiries from other heritage railways. Of the discussions which ensued, some are still ongoing. The most significant of them was with The Mid-Hants Railway which has developed very successfully, extending to a much-needed period of hire of 53808. The relationship promises to be an enduring one.

The past year has involved hard work and difficult decisions by the Trustees. The circumstances exposed the risks to the Trust but, at the same time, sufficient resilience was available on the Board or recruited from the membership. This has included strategy, secretarial and health and safety.

Inevitably, each year marks the passing of familiar or notable people. I would like to mention here a few of them. Roy Larcombe was an ex-S&D fireman at Bath who never missed a reunion until he became ill. Roger Newman was lost to COVID-19. His extensive knowledge and dry wit will be missed. Brian Parnell was a previous organiser of the Hampshire Area Group. Also of Hampshire, and Board member was Rosie Jacob who passed away somewhat unexpectedly having given many years of loyal service.

The Trust will continue to face challenges and risks during the coming year. However, it is much better placed to deal with these than it was twelve months ago.

Ian Young (Chairman)

Purposes and activities

The charity's objects are specifically restricted to the following:

- to advance the education of the public about the history and social and economic impact of the Somerset & Dorset Railway, its antecedents and its successors, on local communities, in the context of Britain's railway heritage;
- to establish and maintain a museum for the benefit of the public relating to the Somerset & Dorset Railway and railway heritage generally, and to preserve or restore historic railway items for public display and demonstration;

- to provide or assist in the provision of facilities in the interests of social welfare for recreation or other leisure time occupation of all individuals, including those who have need of such facilities by reason of their youth, age, infirmity or disability, financial hardship or social circumstances, with the object of improving their conditions of life.

In shaping its objectives for the year and planning its activities the Trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PB2)'.

In planning the programme for 2020, the Trustees paid particular attention to activities involving public benefit, including introducing interactive displays and extending video facilities at Washford. Unfortunately, these plans were soon overtaken by events, notably the Covid-19 pandemic and the receipt in February of notice from West Somerset Railway plc to leave the Washford site. These events fundamentally changed what the Trust was able to do in 2020 and how it went about it. Fuller details are incorporated into "Activities, Achievements and Performance" on page 4.

As a result of the exceptional events in early 2020 the Trustees refined their strategic vision:

- The Trust is looking to exhibit its collection, both of rolling stock and museum artefacts, at locations and in a manner to attract a larger footfall and/or relevance to the 'S&D Story'.
- The Trust needs to make sure that its future operations are financially sustainable. The Trust is looking for collaborative partnerships with other like minded organisations.
- Its locomotives need to be operational in a manageable way so that they can continue to be used as flagships of the collection in realistic settings. The Trust recognises that its ability to undertake restoration and engineering work may be financially constrained for a period and will plan a restoration and maintenance programme for the next 10 years in line with this.
- The Trust is actively seeking to increase its educational role, making use of new locations and audiences to promote the S&D. It is also seeking to develop its research and archival function to provide an ever improving resource to modellers and railway historians.

In order to do this the Trust will attract, encourage and support members and volunteers; secure financial resilience for the Trust; and build positive relationships and partnerships with related organisations.

The Trustees will develop and adopt a forward action plan during 2021 and will continue to evolve the established organisational structure with clear accountabilities and engage the membership in the development of the Trust.

Members and volunteers

With a 50% increase in membership over the last two years the Trustees have increased the frequency of member communications via the website and Facebook, and by post in addition to the quarterly magazine, "Pines Express". The Board continues working to strengthen the Trust's volunteer management. Continued attention has been given to the Trust's membership database as a resource to identify and nurture future volunteers, particularly as the Trust will be operating over a wider geographical footprint than in recent years. During 2020 it has been particularly pleasing to welcome new volunteers in such diverse roles as Strategic Adviser, Health & Safety Manager, Raffle Promoter, 200 Club Organiser and Company Secretary. This provides a real level of support to the Trustees at a time of heightened activity and responsibility. During 2021 the Trust is looking for volunteers within sensible travelling distance of its new museum locations to assist in a variety of roles. The Trustees have also identified a particular need to supplement its existing heritage, conservation and history volunteer base. Once the future at Washford is clearly defined, Trustees are keen to reaffirm support and encouragement for the volunteers based there so that full advantage can be taken of the facilities available to us.

Activities, achievements and performance

January – February 2020

The Annual Model Railway Exhibition was held successfully at Edington in January. The Washford volunteers completed refurbishment of the museum room, ladies WC and station shop in anticipation of what would turn out to be a non operational season.

Impact of Covid-19

At the end of March the Washford site was closed and remained so until July. Most of the workshop volunteers returned, observing social distancing and hygiene protocols, from July but the site was closed again just before Christmas with the advent of the latest lockdown. Whilst limited working on the site was possible, the West Somerset Railway was unable to run a train service at any time during the regular season and it was not feasible for the Trust to open the Washford shop or museum. The volunteers managed to put on an Open Weekend at the end of August.

All the previous annual fund raising events were cancelled, including the Special Train, Washford open weekends during WSR Galas and it was not possible to take the sales stall to a number of steam rallies, model railway exhibitions and similar.

The Trustees were unable to meet as usual bi-monthly on a Saturday, and have met by Zoom video conference on 33 occasions. It was not possible to hold a physical Annual General Meeting and a Zoom meeting was held on 25 July. This was attended by 40 members from a much wider catchment area than has been the case in recent years.

Whilst Washford shop sales were negligible and stall sales dramatically reduced much of the shortfall has been made up with a 170% increase in online sales. The Trust benefitted, especially during the first lockdown, by having a fully functioning online shop with a wide range of items for sale, and selling not just to members but to railway enthusiasts all over the country.

Financially, the Trust has not been hit as hard as many charities as many of its income streams were unaffected by the lockdown. Other than site costs much expenditure that had been planned has simply been deferred. Site costs for the period of the first lockdown, totalling £4,300 were paid from the National Lottery Heritage Emergency Funding programme.

Washford: Notice to leave Washford Site & Subsequent Events

On 11 February 2020 the Trust received notice via solicitors acting for West Somerset Railway plc to vacate Washford by February 2021 citing WSR's wish to use the site for their own purposes. This came without warning and a mere 22 months after signing a 50 year lease extension which had been due to come into effect on 1 May 2020. This formal notice was followed up by a number of public statements by members of the WSR board. These were largely unhelpful and indicated quite clearly that there was no intention on WSR's part at that time to back down or negotiate.

As a result the Trustees set about an urgent review of activities, took appropriate legal and professional advice and started to draw up plans to vacate the site, recognising that a huge proportion of the Trust's resources would have to be diverted from its core functions to protect its legacy. It was quite clear that alternative locations, permanent or temporary, had to be identified and discussions entered into with multiple parties.

At the same time news of WSR's action generated a large amount of goodwill towards the Trust from across the Heritage Railway Movement and further afield, and the Trustees were heartened by the volume of offers of assistance both financial and in kind. It gave the Trustees hope that out of this unexpected crisis a new and stronger future might emerge. This coloured the activities and events for the remainder of 2020.

Trustees had been concerned that the relationship with WSR had declined and this was borne out by the events of early 2020 where not only had WSR given notice to leave Washford but had then declined the Trust's approaches to discuss the position. The Trustees called in the Heritage Railway Association to assist, as laid out in the agreement, and they put

forward John Bailey, the highly respected Chairman of the North Yorkshire Moors Railway, to act as an independent facilitator to bring the two parties together and identify common ground.

Since that point there has been regular dialogue between senior representatives of WSR and the Trust, utilising the services of John Bailey as and when required.

There were several months of discussions with WSR as to when and how the Trust would exit the Washford site. These discussions needed to take account of Covid related delays and the level of investment the Trust had made to improve the site over 45 years.

In late October, WSR made a fundamental change in their approach. WSR admitted that it would not be in a position to make use of the site nor to pay compensation for the Trust owned infrastructure assets, and, as a consequence, offered the Trust an opportunity to stay at Washford on a 10 year lease. Given the advanced nature of collaboration plans (see below) the Trust subsequently requested that the new lease be for the yard only and that the station be handed back to WSR. There were a number of differences in requirements which are taking longer than anticipated to resolve. Discussions were ongoing at the end of 2020.

Trustees believe that by retaining a facility at Washford, covered accommodation for the vintage coaches can be assured, a continuing base for the existing volunteer restoration team can be maintained and the intrinsic value of the infrastructure improvements can be preserved.

Whilst matters have improved, and some progress has been achieved, Trustees have concluded that it is in the best interests of the Trust to loosen its ties with WSR wherever this is practicable, but to seek to remain on as good terms as possible with WSR for the foreseeable future.

Locomotive 53808

Before formal dialogue with WSR had commenced, WSR deepened the crisis in early May by issuing a public statement to the effect that they would not be in a position to meet their contractual liability to overhaul locomotive 53808 in 2023. Hitherto, Trustees regarded the two agreements with WSR to be separate, but this brought the future of the locomotive into the scope of the discussions facilitated by John Bailey.

As a result it was agreed that the current agreement with WSR to hire the locomotive for 10 years until 2030 in return for maintaining and overhauling it free of charge, would be suspended with immediate effect for the duration of the current boiler certificate, currently expected to expire in Winter 2022/23. This would enable the Trust to enter into an external hire agreement on a daily steaming fee basis for this period and for the Trust to retain the cash on the strict understanding that it be made available for the overhaul of the locomotive. The suspension agreement clarifies WSR's requirement to provide funding which will reflect WSR's usage since the previous overhaul. Crucially, the original agreement remains in place and WSR's contractual commitment to carry out the overhaul is unaffected.

The Trust was already in discussions with the Mid-Hants Railway regarding wider collaboration (see below) and MHR offered to hire the locomotive for the period to the end of the current boiler certificate on a daily steaming fee basis. The locomotive moved to Alresford by road on 26 August, and took its bow on the MHR during their Steam Gala in October. Although restricted by the latest Covid lockdown, 53808 played a major part in MHR's innovative and highly regarded Christmas "Steam Illuminations" event which generated much welcome good publicity and income for MHR and a high profile for the Trust.

Collaboration with new partners

It became clear early in the year that there was a number of options opening up for the Trust with regard to its museum collection and rolling stock. After a refreshing of the Trust's strategic intentions, Trustees concluded that irrespective of the outcome of discussions with WSR, it was in the Trust's best interests to move the museum and the majority of the rolling stock away from Washford and to seek collaborative agreements rather than formal leases with other heritage

railways. This would enable the collection to be appreciated and bring the "S&D Story" to the attention of a larger and wider audience, without the physical restrictions of the Washford site.

In November, the Trust announced that it was entering a collaboration agreement with the Mid Hants Railway with the intention of moving museum artefacts to the MHR, some vans and wagons and to work towards creating a joint museum highlighting railway issues of common interest, such as SR Secondary Main Lines. In advance of the bulk move, the SR Parcels & Miscellaneous Vehicle (PMV), currently set up as a museum display vehicle, transferred to MHR by road in November and after upgrading at MHR's cost acted as a "Steam Illuminations" generator vehicle.

The Trust has also been in discussions with another heritage railway regarding a similar collaboration to create a museum utilising two of the Trust's display vehicles, and moving some vans and wagons there. It is hoped that this can be announced early in 2021.

The Trust has agreed to loan the Peat Railway exhibits to the Westonzoyland Pumping Museum.

"Progressing Our Future" Appeal

Soon after the news of the notice to leave Washford became public, the Trust received a number of donations. Once Trustees received details of the likely range of costs of moving, a fund raising appeal, "Safeguarding Our Future", was launched to raise funds to meet the expected considerable costs of moving and potential legal fees, together with making good any deficit arising from the Covid disruption. As soon as the Trustees were assured that progress towards entering into new arrangements was underway the title of the appeal was amended to "Progressing Our Future".

Trustees have been encouraged by and are immensely grateful to the large number of members and well wishers who have donated to the appeal. As at 31 December 2020 £29,450 including Gift Aid, had been pledged of which £28,646 had been received in cash.

Membership

As a result of the increased public profile in 2020, membership of the Trust has increased significantly. The figure of 170 new memberships in the year is exceptional, of which many are younger members and more geographically spread than the longer-standing members. Many of the new members have offered their support and skills over a wide range of interests and these are being followed up. The total number of members at 31 December 2020 was 755.

Locomotive 'Kilmersdon'

Kilmersdon's 10 year boiler certificate expired in January 2020 coinciding with the end of its hire period at the Helston Railway. Due to the Covid restrictions and closure of Helston Railway in 2020, the locomotive has remained in safe keeping at Helston, pending transfer by road to be overhauled in 2021.

Regulatory Inspection

Following a request from the Office of Road and Rail, ORR inspectors visited the site in December and carried out a full and successful inspection. The Trust has agreed with ORR on a way forward for operations on the site on the basis that the new lease with WSR is signed.

Pines Express' and website

The 'Pines Express' magazine continues to go from strength to strength. A high standard of articles and member research during the lockdown led to an increase in magazine size to 48 pages for the Autumn issue and 44 pages for the Winter issue. The website and Facebook page have proved invaluable in keeping members and others up to date with news during a year when the Trust was in the spotlight rather more than usual.

Sales Developments

Despite losing a large volume of sales with the closure of the Washford shop and many cancelled events, the online ecommerce site had yet another record year with sales more than doubling. The overall impact on Trust finances was therefore minimal. In the Spring a reprint of Donald Beale's "Southbound with the Pines" booklet was produced in

house. Dapol produced limited runs in "O" and "OO" gauge of private owner wagons in the "Mendip Mountain Quarries" livery. These initiatives have been very successful, not only increasing sales but attracting a wider clientele to the website.

Photographic Collection

Progress has continued in digitising and cataloguing the Trust's photographic collection. The number of images available for purchase via the website is now over 750, including the Casserley images acquired in 2019.

65 non S&D negatives from the Casserley collection were sold to a third party for £300, in accordance with the Trust's collections policy.

Deferred and cancelled activities

As a result of the pandemic and uncertainty regarding Washford a number of activities planned were deferred. In particular carriage and wagon restoration work was put back by c9 months, the launch of the Coach Restoration Appeal fund was deferred until finances for moving and refocusing the museum are secured and Kilmersdon's overhaul. Planned projects to upgrade the Washford site were aborted in February and are unlikely to occur in the foreseeable future.

Organisation structure

The Trust adopted an organisation structure which is reviewed regularly. In 2020 it has evolved to encompass new and revised roles which are and will be required as a result of new collaborations and revised methods of operating in the future. In 2020 the Board assigned a new portfolio to be responsible for moving the collection and planning new arrangements with future partners to Roger Hardingham. David Meaden took on the new role of Strategic Adviser and has also played a key role in negotiations with West Somerset Railway. In November the Trust was pleased to welcome Abbie Onibonoje to the vacant role of Secretary to the Board and Mark Stanistreet to the newly created specific role of Health & Safety Officer. The Trustees identified the need to recruit volunteers at its new sites during 2021 particularly on the museum side and continue to welcome offers to volunteer from members and others to assist the Trust as it enters a new phase of its existence.

Current board responsibilities are shown on page 9.

Financial review

There was a net inflow of £46,747 in the year boosted by Appeal donations, locomotive hire fees, NLHF Covid Emergency Funding and a much reduced level of spending as a result of Covid restrictions. Of the closing unrestricted funds balance, £42,523 is in the General fund with the remainder designated (see note 16 for details). Restricted funds increased from £931 to £28,941 primarily as a result of Appeal funds held which will be utilised in 2021.

The financial impact of Covid lockdowns and restricted activity has not had a major impact on the Trust's finances in 2020. Income from Sales held up well with reductions in shop and event sales being offset by a large increase in online sales. Income from events was well down but was more than matched by deferred project costs which were unable to be carried out due to lockdown. The site costs for the period of the first lockdown were covered in full by NLHF Emergency Funding. The Trust has been fortunate that no single income or expenditure stream is dominant, and much of its activity was not impacted by the pandemic. Unless the pandemic restrictions are escalated dramatically the Trust will not be unduly affected financially for a period of at least two years.

In 2016, the Trustees determined that a minimum of 4 months of unrestricted general expenditure should be held in reserves. At the end of 2020 this threshold was comfortably exceeded, but the ratio was distorted by the exceptional activities during the year. It is anticipated that the future position will exceed the 4 month threshold.

It is policy to invest funds at United Trust Bank and CCLA. At December 31 2020, £58,000 was held at CCLA in a no notice deposit, and £15,787 was held at United Trust Bank in a 12 month charity bond maturing in June 2021 earning interest at a fixed rate of 1.35%. Cash balances at HSBC were higher than normal due to the exceptionally low interest achievable on no notice deposit accounts.

The Trustees have concluded from their review of financial activities and forward expenditure requirements, including the likelihood of longer than anticipated Covid restrictions and the various impacts of moving the museum collection and rolling stock, that the charity is a going concern and accounts have been prepared on this basis. Review of financial performance is an important agenda item at Trustees' meetings.

Plans for future periods

Plans for 2021 include:

Locomotives

53808 is expected to be in service as a mainstay of Mid-Hants Railway fleet throughout the 2021 operating season.

Following the expiry of Kilmersdon's 10 year boiler ticket in January 2020 it is expected that the locomotive will be transported by road from Helston to the Mid-Hants Railway for overhaul. Funds set aside for this purpose are expected to be utilised in full. Trustees will consider hiring opportunities post overhaul.

Museum Collection and Collaboration Arrangements

Discussions are underway with Mid-Hants Railway to transfer further vehicles and some museum artefacts, on a long term loan basis, with the intention of creating a joint museum at MHR. This will be based in museum display vehicles and a new joint museum room. Discussions are also expected as to potential opportunities for a signalling display and the transfer of one or more of the S&D buildings from Washford.

In parallel with this, discussions are expected with another heritage railway to transfer some vehicles and some museum artefacts, on a long term loan basis, with the intention of creating a joint museum based principally in museum display vehicles.

Trustees remain open to other collaborative opportunities.

Washford

Negotiations with West Somerset Railway for a new lease for Washford yard are a priority for completion early in 2021.

Once concluded, satisfactorily revised working arrangements at Washford will need to be finalised and a comprehensive work programme drawn up for the Washford volunteer team once Covid restrictions are eased.

Safe and secure transfer of assets to new locations as dictated by agreements will be a priority including remedial work to some vehicles. Operation of the site, and in particular the movement of stock, will be strictly in accordance with the requirements of the Office of Road and Rail and prevailing Health & Safety legislation.

Fund Raising and Sales Income

Fund Raising Events will be reinstated as soon as Covid restrictions are eased although events in the early part of 2021, including the Model Railway Exhibition, have been cancelled. The Annual Raffle is being reinstated with a new promoter, Brian Read. It is hoped to run a Special train later in the year and to hold some events at Washford, albeit on a more limited scale than previously. Trustees will also seek to maximise fund raising opportunities at MHR and elsewhere.

Sales income will again be reliant on a strong online presence. Further in house publishing and limited edition wagon opportunities will be worked on. It is hoped that the Trust's sales stall can be present at more widely spread events, once events restart.

Volunteer Management, Communications and Website

Identification of volunteers to assist with moving to and operating at its new museum sites is a priority. Work will continue to strengthen the resilience of the Trust and to ensure an appropriate range of skills and interests is represented in the management of the Trust.

Communications to members and the wider heritage railway movement will be important during this period of change and work will continue to improve the methods of keeping in touch with members and publishing information in a timely and accurate manner.

The ecommerce site will migrate to an updated platform, Woocommerce, in early 2021 and advantages to be gained from this change will be fully utilised across the whole website.

Digitisation of records

The digitisation and availability of the Trust's photo library will continue to be worked on through 2021.

Resilience and Governance

Once the peak workload of moving the collection has passed, Trustees will resume their work on the structure and governance of the Trust. The events of 2020 have brought about an increased resilience and Trustees will seek to build on this in future planning work. Trustees will also work to take account of the increased locomotive hire activity, larger online sales activity and the new challenges of working on multiple sites.

Funding and Appeals

Trustees will consider the future of the successful "Progressing Our Future" Appeal, taking into consideration the large volume of costs to be incurred in moving and renegotiating to stay at Washford. Trustees will also consider the funding requirements of future projects, most importantly restoration of Coaches 98 and 114, and assuring the future of both locomotives as well as any project expenditure with collaboration partners.

Administrative details

Charity number	1158865
Company number	8945535
Registered Office	The Railway Station, Washford, Watchet, Somerset TA23 0PP

Advisers

Independent examiner	Martin & Co	Bridport
Bankers	HSBC Bank plc	Yeovil
Solicitors	Nantes	Weymouth

Directors and Trustees

The Directors of the charitable company (the charity) are its Trustees for the purpose of charity law. The Trustees and principal officers serving during the year and since the year end, together with the portfolios currently held, are as follows:

Elected Directors and Trustees:	I M Young	Chairman	(Governance, Volunteers)
	M Atkins	(resigned 31 January 2020)	
	A N Davies		(Sales, Washford Site)
	R Hardingham		(Locomotives, Site Moves, Promotions)
	R Jacob	(retired 25 July 2020)	
	R D W Ormston		(Communications)
	R S Pope	(resigned 30 January 2020)	
	M J Rice		(Finance)
	J Rodney-Jones	(resigned 18 January 2020)	
	P J C Trenchard		(Partnerships, Heritage)

Secretary	A Onibonoje	(from 1 November 2020)
Principal Officers:		
Health & Safety Officer	M Stanistreet	(from 1 November 2020)
Magazine Editor	R D W Ormston	
Membership Secretary	A J M Young	
Museum Collections Assistant	S R Gillett	
Strategic Adviser	D Meaden	(from 5 June 2020)
Treasurer	M J Rice	
Webmaster	A Beale	
Washford Site:		
Manager	P Cracknell	
Restoration Team Leader	E L Lambe	
Museum Displays Coordinator	D Temple	

Structure, Governance and Management

Governing Document

The Somerset & Dorset Railway Trust Ltd is a company limited by guarantee governed by its Memorandum and Articles of Association dated 14 August 2014. It is registered with the Charity Commission. Existing members of the Somerset & Dorset Railway Trust transferred to the present Trust when the charities were listed on the Register of Mergers on 4 March 2015. New members apply for membership. In the event of the charity's dissolution, members resolve that any net assets will be passed directly for the objects, or any charity for purposes similar to the objects or to any charity for use for particular purposes that fall within the objects. Members are liable up to £10 per member for any debts remaining after dissolution.

Appointment of Trustees

As set out in the Articles of Association the Chairman of Trustees is appointed by the Trustees. Trustees are elected in rotation for three years by members either in person at the AGM or by proxy vote. The Trustees have the power to co-opt Trustees who stand until the following AGM.

All members are circulated with invitations to nominate Trustees prior to the AGM advising them of the retiring Trustees and requesting nominations for the AGM. When considering appointing Trustees the Board has regard to the requirement for any specialist skills needed.

Trustee induction and training

New Trustees are briefed on: their legal obligations under charity and company law, the Charity Commission guidance on public benefit, and informed of the content of the Memorandum and Articles of Association, the committee and decision making processes, the business plan and recent financial performance of the charity. Trustees attend appropriate external training events where these will facilitate the undertaking of their role.

Organisation

The Board of Trustees administers the charity. To facilitate effective operations, the Board has authority to delegate certain operational matters to working groups and volunteer officers. During the pandemic the Board has met online on an almost weekly basis. During 2021 it is expected that the Board will transition back to fewer regular face to face meetings, whilst retaining the option for online meetings as and when required. The Board may establish sub-committees and time-limited working groups. Other officers attend Board meetings as required.

Related parties and co-operation with other organisations

None of the Trustees receive remuneration or other benefit from their work with the charity. Any connection between a Trustee or senior officer of the charity with a related party must be disclosed to the full Board of Trustees in the same way as any other contractual relationship with a related party. Details of related party transactions are disclosed in note 17 to the accounts. In accordance with Trust policy Trustees withdraw from decisions where conflicts of interest arise.

Risk management

The Trust has identified a number of risks which are more numerous than has been the case in past years. Trustees address these risks regularly and ensure that adequate monitoring and mitigation is in place to deal with them.

Short term heightened level of risk:

- potential inability to agree a new lease with WSR and/or remain at Washford
- breakdown of one or more collaborations leading to difficulties in housing museum and vehicle collection
- ability to recruit volunteers at new locations is critical to the success of those activities
- ability to retain existing volunteer base is key to keeping the Trust on an even keel during a period of change
- ability of heritage railway partners to return to "normality" post Covid restrictions may impact on the Trust's arrangements

Medium term risk:

- the successful overhaul of 53808 expected to commence in 2023 is critically dependent on WSR being able to meet its contractual liabilities
- a newly dispersed collection presents new challenges in keeping track of all museum items
- the ability to keep true to the Trust's objectives in a changed environment
- the ability to retain an individual identity across a number of locations and activities
- the ability to fund all planned programmes may not be possible

Impact of macro risks on Trust:

- the future of the heritage railway movement faces unprecedented challenges as a result of climate change, eradication of fossil fuels and the ability to recover post Covid. Whilst spreading the risk across multiple arrangements with different partners, the Trust is exposed to more uncertainty if any of those partners fail to recover as is currently anticipated
- whilst the Trust is currently able to withstand the financial effects of the Covid pandemic this cannot be sustained indefinitely.

Other risks are being addressed by maintaining up to date risk assessments of Trust activities, contingency planning where appropriate, emphasis of safe working practices and the development of, maintenance of, adherence to and monitoring of robust policies and regular training.

Trustees' responsibilities in relation to the financial statements

The charity Trustees (who are also Directors of The Somerset & Dorset Railway Trust Ltd for the purposes of company law) are responsible for preparing a Trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity Trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including income and expenditure, of the charity for the period. In preparing the financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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

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

Statement as disclosure to the independent examiner

In so far as the Trustees are aware at the time of approving the Trustees' annual report:

- There is no relevant information, being information needed by the independent examiner in connection with preparing their report, of which the independent examiner is unaware, and;
- The Trustees, having made enquiries of fellow Directors and the independent examiner that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a Director in order to make themselves aware of any relevant information and to establish that the independent examiner is aware of that information.

By order of the Board of Trustees



I M Young (Chairman)

26 March 2021



INDEPENDENT EXAMINER'S REPORT

To the Members of The Somerset & Dorset Railway Trust Ltd on the accounts for the year ended 31st December 2020.

This report is made solely to the society's members, as a body. My examination work has been undertaken so that I might state to the society's members those matters I am required to state to them in an examiners' report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the society and the society's members as a body, for my work, for this report, or for the opinions I have formed.

Respective responsibilities of Society Board Members and the examiner

The Society Board Members consider that an audit is not required this year as an appropriate resolution was approved by members at the last AGM and that an independent examination is therefore appropriate.

It is my responsibility; to:

- examine the accounts
- state whether particular matters have come to my attention.

Basis of Independent Examiner's statement

An examination includes a review of the accounting records kept by the Company and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the Board Members concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the accounts.

Independent examiner's statement

In the course of my examination, no matter has come to my attention

- a) which gives me reasonable cause to believe that, in any material respect, the Board Members have not met the requirements to ensure that :
 - i) proper accounting records are kept
 - ii) accounts are prepared which agree with the accounting records and comply with generally accepted accounting requirements; or
- b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Signed 

Date 25th March 2021

Name B.R. Kenway

Qualification FCCA

Address 2, VICTORA GROVE, BRIDPORT, DORSET, DT6 3AA

THE SOMERSET & DORSET RAILWAY TRUST LTD

STATEMENT OF FINANCIAL ACTIVITIES

for year ending 31st December 2020

	Notes	2020 Unrestricted Funds £	2020 Restricted Funds £	2020 Total Funds £	2019 Total Funds £
INCOMING RESOURCES					
Subscriptions		12,055		12,055	9,998
Donations and grants	3	13,685	35,396	49,081	14,750
Charitable activities	4	3,871	0	3,871	14,462
Other activities	5	16,374		16,374	19,076
Investment income	6	381		381	514
Total incoming resources		46,366	35,396	81,762	58,800
RESOURCES EXPENDED					
Expenditure on charitable activities	7	23,420	3,250	26,670	35,183
Cost of generating funds	8	1,126	0	1,126	3,003
Governance and support costs	9	3,083	4,136	7,219	12,899
Total resources expended		27,629	7,386	35,015	51,085
Net incoming resources for the year before transfers		18,737	28,010	46,747	7,715
Transfers between funds		0	0	0	0
Net incoming resources for the year		18,737	28,010	46,747	7,715
Accumulated fund brought forward	16	84,746	931	85,677	77,962
Accumulated fund carried forward	16	103,483	28,941	132,424	85,677

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

THE SOMERSET & DORSET RAILWAY TRUST LTD

BALANCE SHEET

as at 31st December 2020

	Notes	2020 £	2019 £
FIXED ASSETS			
Tangible Assets	11	11,993	13,498
Investments	12	1	1
CURRENT ASSETS			
Retail stock		3,387	3,460
Debtors and prepayments	13	11,602	10,080
Bank deposits		73,786	51,984
Bank & cash in hand		39,664	15,744
		<u>128,439</u>	<u>81,268</u>
LESS			
CURRENT LIABILITIES			
<i>Falling due within one year</i>			
Creditors and accruals	14	2,552	3,457
Deferred income	15	5,457	5,633
		<u>8,009</u>	<u>9,090</u>
NET CURRENT ASSETS		120,430	72,178
NET ASSETS		<u>132,424</u>	<u>85,677</u>
REPRESENTED BY:			
Unrestricted funds	16	103,483	84,746
Restricted funds	16	28,941	931
ACCUMULATED FUNDS		<u>132,424</u>	<u>85,677</u>

The notes at pages 16 to 22 form part of these accounts

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

For the year ending 31 December 2020 the company was entitled to exemption from audit under Section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with Section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements were approved and authorised for issue by the Board on 26 March 2021

Signed on behalf of the board of directors

I M Young, Chairman



26 March 2021

THE SOMERSET & DORSET RAILWAY TRUST LTD

NOTES ON THE ACCOUNTS

1. Accounting Policies

- a. *General information and basis of preparation* The Somerset & Dorset Railway Trust Ltd is a company limited by guarantee incorporated in England within the United Kingdom. The address of the registered office is given in the company information on page 9 of these financial statements. The financial statements are presented in sterling which is the functional currency of the company. The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.
- b. *Preparation of the accounts on a going concern basis* The accounts have been prepared on a going concern basis as the Trustees have no material uncertainties about the charity's ability to continue operating.
- c. *Income recognition policies* Items of income are recognised and included in the accounts when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met or fully within the control of the charity, there is sufficient certainty that the receipt of the income is considered probable and the amount can be measured reliably. Income received in advance, such as future year membership subscriptions, is deferred until the criteria for income recognition are met. Since the amount and timing of receipt of legacy income are unpredictable, it is accounted for only when received.
- d. *Donated services and facilities* The value of items received as donations to the charity would be difficult to quantify, and therefore not assessed. Consequently, they are not included in the accounts.
- e. *Interest receivable* Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity.
- f. *Fund accounting* Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the Trustees have decided at their discretion to set aside for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular activities of the charity.
- g. *Expenditure and irrecoverable VAT* Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that a settlement will be required and the amount of the obligation can be measured reliably. Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.
- h. *Heritage assets* Accounting standard FRS30 applies to all heritage assets that are held principally for their contribution to knowledge and culture, having historical and other qualities. In 1988 the net book value of all items then classified as museum items, including steam locomotive 53808, was written off as an expense in order to comply with museum regulations prevailing at that time.
- i. *Tangible fixed assets* Individual fixed assets are capitalised at cost and are depreciated over their estimated useful economic lives on a straight line basis as follows:

<i>Asset Category</i>	<i>Annual Rate</i>
Land	Nil
Buildings & Trackwork	10%
Rolling Stock	5 %
Engineering Equipment	10 – 20%
Office & Other Equipment	10 – 20%

Steam locomotives owned by the charity are not capitalised and details by individual asset are found at Note 11.

- j. *Stock* Stock of books, DVDs and other items for resale is included at the lower of cost or net realisable value.
- k. *Debtors* Debtors are recognised at the settlement amount due after any discount offered. Prepayments are valued at the amount prepaid after taking account of any discounts due.

- l. *Cash at bank and in hand* Cash at bank and in hand includes cash and short term highly liquid investments.
- m. *Creditors and provisions* Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in a transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably and are recognised at their settlement value after allowing for any discounts due.

2. Legal Status of the Charity

The charity is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is restricted to a maximum of £10 per Trustee.

3. Income from donations and grants

	Notes	2020 Unrestricted Funds £	2020 Restricted Funds £	2020 Total Funds £	2019 Total Funds £
General donations		3,830		3,830	3,226
Grants and specific donations	16	4,900	33,635	38,535	0
Gift Aid		4,955	1,761	6,716	1,524
Legacies	16	0		0	10,000
		13,685	35,396	49,081	14,750

Details of the income into specific restricted funds can be found in Note 16.

The charity greatly benefits from the involvement and enthusiastic support of its many volunteers, details of which are given in the annual report. In accordance with accounting standards, the economic contribution of volunteers is not measured in the accounts.

4. Income from charitable activities

	2020 Unrestricted Funds £	2020 Restricted Funds £	2020 Total Funds £	2019 Total Funds £
Museum entrance	0		0	1,499
Raffle		0	0	5,222
Model railway display	2,666		2,666	2,354
Special train	0		0	2,153
Other events	0		0	1,234
S&D 200 Club	1,205		1,205	2,000
	3,871	0	3,871	14,462

5. Income from other activities

	Notes	2020 Unrestricted Funds £	2020 Restricted Funds £	2020 Total Funds £	2019 Total Funds £
Retail Sales		20,226		20,226	19,441
Less : Cost of Sales:					
Stock 1 January		3,460		3,460	3,763
Add: Purchases		9,990		9,990	9,989
Less: Stock 31 December		(3,387)		(3,387)	(3,460)
		10,063	0	10,063	10,292
Gross Profit		10,163	0	10,163	9,149
Less: Post, packing and sundry costs		2,699		2,699	1,385
Retail sales contribution		7,464	0	7,464	7,764
Photo collection income		249		249	162
Loco hire and other income	11, 16	8,661		8,661	11,150
		16,374	0	16,374	19,076

6. Investment income

All investment income arises from money held in interest bearing deposit accounts.

7. Expenditure on charitable activities

	Notes	2020 Unrestricted Funds £	2020 Restricted Funds £	2020 Total Funds £	2019 Total Funds £
Magazines		7,873		7,873	6,633
Insurance		3,904		3,904	5,130
Museum electricity		2,218		2,218	2,796
Museum rent, water, phone etc.		1,473		1,473	1,868
Museum safety and security		1,911		1,911	1,816
Museum maintenance		2,053		2,053	4,500
Shed, track, equipment maintenance	16	631		631	1,110
Locomotives expenditure		138	2,970	3,108	528
Carriage maintenance		481		481	323
Wagons maintenance		0		0	43
Website, publicity, other events	13	823		823	1,138
Museum purchase	10	0		0	425
Museum displays and administration		411	280	691	1,093
Depreciation	11	1,504		1,504	7,780
		23,420	3,250	26,670	35,183

8. Cost of generating funds

	2020 Unrestricted Funds £	2020 Restricted Funds £	2020 Total Funds £	2019 Total Funds £
Cost of generating funds - Raffle		0	0	1,495
- Model Railway Display	1,126		1,126	907
- Special train	0		0	378
- Washford events	0		0	223
	1,126	0	1,126	3,003

9. Governance and support costs

	2020 Unrestricted Funds £	2020 Restricted Funds £	2020 Total Funds £	2019 Total Funds £
AGM and board meetings	703		703	647
HRA subs, travel, stationery, postage	701	169	869	395
Trustees' travel expenses	323		323	209
Legal and Professional fees		3,968	3,968	0
Consultancy	0		0	10,840
Volunteer Management expenses	0		0	36
Membership administration	978		978	412
Examiner's fee and expenses	378		378	360
	3,083	4,136	7,219	12,899

The charity has no paid employees (2019: None).

The charity Trustees were not paid nor received any other benefits from the charity (2019: None). No Trustee were reimbursed expenses in attending Trustees' meetings (2019: None) in accordance with procedures laid down by the Trustees. No charity Trustee received payment for professional or other services supplied to the charity (2019: None)

10. Heritage assets

In 1988 all items then classified as museum items were written off as an expense in order to comply with museum regulations prevailing at that time. This amounted to £2,940 historical cost, £2,581 net book value. Since then the cost of additional museum items has been written off as an expense against income when incurred, totalling £20,800 to the end of 2020. No asset value is carried in the accounts for heritage assets held by the charity, whether obtained by purchase or donation.

The charity's collection of museum exhibits also includes donated items. The charity has a museum collection acquisitions and disposals policy, adopted by the Trustees in July 2015. Detailed records of the collection are kept.

11. Tangible fixed assets

	Totals	Buildings, Land & Trackwork	Rolling stock	Engineering equipment	Office & other equipment
Cost	£	£	£	£	£
Brought forward	152,089	91,503	13,375	15,124	32,087
Additions in the year	0	0	0	0	0
Carried forward	152,089	91,503	13,375	15,124	32,087
Depreciation					
Brought forward	138,591	87,789	10,492	14,937	25,374
Charge for the year	1,505	44	157	90	1,213
Carried forward	140,096	87,833	10,649	15,027	26,587
Net Book Value					
31st December 2019	13,498	3,714	2,883	187	6,713
31st December 2020	11,993	3,670	2,726	97	5,500

The charity owns two steam locomotives. Both locomotives are operational and do not qualify to be treated as heritage assets.

Locomotive 53808 had a book cost of £42,635 in 1988 when it was written out of the accounts, along with the heritage assets. It is subject to a long term hire agreement with West Somerset Railway plc whereby the hirer is responsible for all

maintenance and overhaul costs. The current agreement expires on 30 April 2030. In 2020 the West Somerset Railway agreed to suspend the agreement for a period up until the boiler certificate runs out, currently expected to be at the end of 2022. The Trust has entered into a short term agreement with Mid-Hants Railway Ltd to hire the locomotive for this period, and is responsible for invoicing and collecting steaming fees from Mid-Hants Railway. In 2020 income includes £7,920 in respect of hiring fees for 53808 (see note 5) (2019: Nil).

Locomotive 'Kilmersdon' was acquired in 2010 at nil cost after many years on loan. Overhaul costs in 2011-2012 (£37,000) and minor costs since then were treated as an expense. In 2020 income includes £200 in respect of hiring fees for 'Kilmersdon' (see note 5) (2019: £9,000).

12. Investments

The charity holds 5,150 shares in West Somerset Railway plc which were donated in previous years. These shares are considered to have no marketable value.

13. Debtors

	2020	2019
	£	£
Prepaid website costs	1,110	0
Prepaid insurance	3,019	3,192
Other prepaid expenses	1,569	2,109
Accrued income	5,904	4,779
	11,602	10,080

14. Creditors: amounts falling due within one year

	2020	2019
	£	£
Creditors	1,043	1,896
Accruals	1,509	1,561
	2,552	3,457

15. Deferred income

Deferred income comprises subscriptions received in advance for the following year, and for payment received in respect of security deposit received from Helston Railway Preservation Company Ltd in respect of hire of 'Kilmersdon'.

16. Analysis of charitable funds

Movements in restricted funds

	Opening Balance 01/01/2020	Incoming Resources	Resources Expended	Transfers in year	Closing Balance 31/12/2020
Restricted Funds	£	£	£	£	£
HLF Resilience Project	(6,750)	6,750	0		0
Museum Collection	900	0	(280)		620
Kilmersdon Tyres	3,053	0			3,053
Coach Restoration	3,727	0	0		3,727
Progressing Our Future Appeal		28,646	(7,106)		21,540
Total Restricted Funds	931	35,396	(7,386)	0	28,941

- a) *HLF Resilience Project*: This represents the grant received from the Heritage Lottery Resilience Fund less costs to date. The project completed during 2019 and income in 2020 represents the final grant instalment received from NLHF.
- b) *Museum Collection*: This represents a single specific donation for the acquisition of appropriate items for the Trust's museum collection and display at Washford. There has been expenditure of £280 in 2020 (2019: £100).
- c) *Kilmersdon Tyres Fund*: The net proceeds of the 2018 raffle were restricted for the purpose of renewing the tyres on Kilmersdon's driving wheels. The proceeds have been set aside to meet this anticipated liability which is likely to be incurred at the date of the next overhaul.
- d) *Coach Restoration Fund*: The net proceeds of the 2019 raffle were restricted for the purpose of restoring vintage coaches 98 and 114. The proceeds have been set aside to meet anticipated liabilities when this project gets underway.
- e) *'Progressing Our Future' Appeal*: This appeal was launched in April 2021 to take the Trust forward into the next period of its long existence whilst meeting the many challenges facing it in the near future including the consequences of the WSR Notice to Leave and the Covid-19 pandemic. During 2020 costs included legal and professional fees and locomotive move costs for 53808.

Movements in unrestricted funds

	Opening Balance 01/01/2020	Incoming Resources	Resources Expended	Transfers in year	Closing Balance 31/12/2020
Unrestricted Funds	£	£	£	£	£
General Fund	31,906	38,246	(27,629)		42,523
Designated Funds:					
Coach Restoration (including coaches 98/114)	12,628				12,628
53808 Overhaul		7,920			7,920
Kilmersdon Overhaul	26,863	200			27,063
Legacies	12,945	0			12,945
Baker Memorial	404				404
Total Unrestricted Funds	84,746	46,366	(27,629)	0	103,483

- a) *Coach Restoration Designated Fund (including coaches 98 & 114)*: During 2014 the Trustees agreed to set aside £38,700 from Unrestricted General funds to cover full restoration of Coach 4, and restoration of the two other vintage coaches (98/114). After the completion of Coach 4 in 2016 a balance of £12,628 is therefore available to contribute towards the restoration and/or conservation of the two remaining unrestored vintage coaches.
- b) *53808 Overhaul Fund*: On 15 January 2021 the Trustees agreed to designate hiring fees earned whilst 53808 is on hire at Mid-Hants Railway to create a fund to contribute towards funding for the next overhaul which is due

following the expiry of the 10 year boiler ticket currently expected to be at the end of 2022. Fees designated in 2020 amount to £7,920.

- c) *'Kilmersdon' Overhaul Fund*: On 21 January 2017 the Trustees agreed to designate hiring fees earned since 'Kilmersdon' was overhauled in 2012 to create a fund to provide funding for future overhauls. The next overhaul is now due following the expiry of the 10 year boiler ticket in January 2020. Fees designated to date amount to £27,063.
- d) *Legacies*: This represents legacies received in prior years. The Trustees have agreed to designate these amounts whilst an appropriate use for the money is identified.
- e) *Baker memorial*: This represents donations received from the funeral of the Trust's late Chairman, Godfrey Baker in 2018. The Trustees have agreed to designate this amount whilst an appropriate use for the money is identified.

17. Related party transaction

Mr Roger Hardingham is the owner of Kingfisher Productions, a supplier of railway books and DVDs. During 2020 the Trust purchased goods to the value of £528 from, and sold goods to the value of £Nil to Kingfisher Productions (2019: £539 and £210 respectively). At 31 December 2020 £Nil was owing to Kingfisher Productions (2019: £Nil), and £Nil was owing to the Trust (2019: £Nil)

Cover picture:

The Trust's 7F, 53808, awaiting its train at Ropley on the last day of the Watercress Line Autumn Steam Gala – Sunday 16 October 2020. Picture: Jason Baker