

# THE SOMERSET & DORSET RAILWAY TRUST LTD

(A company limited by guarantee)

## REPORT & FINANCIAL STATEMENTS

**Year ending 31st December 2017**



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 2017

The Trustees are pleased to present their annual Directors' report together with the financial statements of the charity for the year ending 31 December 2016 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 report

The year under review has been a challenging one for the Trust, with income being affected by fewer visitors to Washford which, in turn, meant shop sales were also down. However much of this had been taken into account when the budget was set, and expenditure was tightly controlled.

Nevertheless, progress has been made on several projects. With the completion of Coach No 4 in 2016 the Trustees turned their attention to other priorities. A program of restoring other rolling stock, particularly the Fruit D wagon and refreshing the museum display in the station was commenced and will continue into 2018. The intention is that the Fruit wagon will be used for audio-visual presentations to Museum visitors as well as having a small display area. Tributes are appropriate here to Ted Lambe, for his supervision of the increasing number of Tuesday volunteers, and David Temple who has taken on the role of Museum Assistant. The planning and processes have been delegated to a newly-formed Washford Development Group which meets periodically, makes recommendations to the Board and whose members are an amalgam of directors and volunteers.

Kilmersdon has made several public appearances in steam and continues to be a significant asset and showcase for the Trust. With this comes the responsibility of upkeep and maintenance. Decisions regarding expenditure on Kilmersdon will have to be made during 2018.

Our long-term security at Washford has been an issue for some time with the existing lease due to expire in 2020. Negotiations with WSR plc have been protracted but, in December, the plc Board approved a new lease to run for fifty years. This was a considerable achievement and will mean that various stakeholders will have more confidence in investing time, money and effort. The team responsible for negotiations were David Grimwood, Godfrey Baker and Martin Rice and the Trust owe a great deal to their efforts.

Heritage Lottery Funding is an obvious, if exacting, opportunity to inject funds into any organisation and the Trust began the process of developing an application for resilience funding. This is designed to strengthen charities who want to build their capacity or achieve strategic change to improve the management of heritage. The application is being headed up by Board Director, Jon Rodney-Jones.

Digitisation of the Trust's photographic collection has continued and has now reached the stage where images can be accessed online. They can be viewed at low resolution and downloaded at high resolution on payment of a fee. Steph Gillett has continued to document each image in full detail.

At the last AGM we were pleased to gain the services of three new Directors: Jon Rodney-Jones, Ryan Pope and Roger Hardingham. They have brought welcome expertise in, respectively, the realms of Washford Site Development, Engineering and Commercial Development. During the year Paul Guppy resigned both as a Director and volunteer.

Whereas we have seen welcome progress in the above areas the Board is conscious that they do not represent the full range of activities in which the Trust should be engaging. Historical research and modelling, if not general education of the general public in the history of the S & DJR, require more emphasis. We are, therefore, seeking Board Directors who can help address these needs.

Sadly, the AGM does not have the calm, steadying presence of Godfrey Baker whose passing after a relatively short illness occurred on 3rd March. Godfrey ranks among those who devoted an extraordinary large part of their life for the benefit of the Trust and we will miss him greatly.

Ian Young

Chairman

### [Our 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 our objectives for the year and planning our 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 2017, the Trustees paid particular attention to activities involving public benefit, including installation of interpretation panels at sites along the route of the old railway, providing a facility to show video footage at Washford and developing relationships with local stakeholders to create a visitor attraction at Washford to engage the widest possible interest in the social history and legacy of the Somerset & Dorset Railway.

The strategies employed to achieve the charity's aims and objectives are to:

- Promote awareness of, and interest in, the Somerset & Dorset railway
- Promote the SDRT as the 'premier' S&D organisation
- Attract, encourage and support members and volunteers
- Secure financial resilience for the Trust
- Build positive relationships and partnerships with related organisations
- Deliver the agreed strategic priorities

Putting these strategies into action, the Board developed and adopted a five-year forward action plan. Initial priorities were:

- Complete the restoration of Coach 4 in 2016
- Undertake a programme for 2016 marking the 50th anniversary of the railway's closure and the founding of the Trust
- Agree and secure the future and development of the Washford site
- Create a new website and refresh the Trust's magazine 'Pines Express'
- Establish an organisational structure with clear accountabilities
- Engage the membership in the development of the Forward Plan.

## Our volunteers

The Board recognised the need to strengthen the Trust's volunteer management. Trustees have participated in training events and, with advice from professional heritage bodies, have begun putting in place policies and procedures to provide improved support, encouragement and retention for the 40 or so volunteers on which the Trust relies, and to identify further opportunities for volunteering within the Trust. There has been an increase in the number of workshop volunteers during the year, and HLF funding is being applied for to help improve their effectiveness with specialised training.

## Achievements and performance

### *2016 Programme for the 50th anniversary of closure*

The final activities in this programme were completed in early 2017, including the installation of four interpretation panels, two at Blandford, and one each at Burnham on Sea and Charlton Marshall. In accordance with the terms of the HLF Grant we commissioned a project evaluation report. Provisional findings were presented to members at the 2017 AGM, and the Trustees have since considered how best to take the legacy of this project forward.

### *Future of Washford*

In late 2017 agreement was reached with West Somerset Railway plc on a new 50 year lease. This is expected to be signed in early 2018.

A Washford Development Working Group, under the chairmanship of Jon Rodney-Jones, consisting of four Trustees and a number of Washford volunteers, was set up during the year. Initial focus has been in three areas: cleaning up the site, raising the profile of Washford as a stopping off point during WSR Galas, commencing in Autumn 2017, and, building on the lessons learned as part of the 50th Anniversary project, preparing a bid for HLF Resilience Funding.

### *Locomotive No. 53808*

2017 marked the 30th Anniversary of locomotive 53808 returning to steam after being rescued from Barry Scrapyard. A headboard was made for the locomotive to carry in service on the WSR in the Autumn.

### *'Pines Express' and website*

The 'Pines Express' magazine continues to maintain its high standards including emphasis in 2017 on 53808's 30th anniversary. The website has been enhanced by a revamped ecommerce section, which is generating increased sales.

### *Digitisation of photographic collection*

Considerable progress has been made in digitising and cataloguing the Trust's photographic collection. The Trustees agreed that copies of digitised images, be made available for purchase via the website. The first batch of photos were put online in December 2017, and further batches will be released on a regular basis.

## Organisation structure

The Trust adopted a new organisation structure, based on the Forward Plan. This structure is under review, but did enable the Board to begin to address the need for improved support and clarity for the Trust's volunteers. Some reallocation of responsibilities occurred in 2017 to reflect the changed composition of the Board and current working practice at Washford. The Trustees are currently looking to recruit a Company Secretary and a Museum Curator and would welcome further offers of assistance in the areas of S&D modelling and S&D history.

## Financial review

There was a net outflow of £10,065 in the year which was broadly as expected. This includes depreciation of fixed assets purchased for the most part several years ago of £8,387 and the final contribution towards the 50th Anniversary project of £4,510. Of the closing unrestricted funds balance, £45,181 is in the General fund with the remainder designated (see note 17 for details). Restricted funds reduced from £650 to £96.

The Trustees have determined that a minimum of 4 months of unrestricted general expenditure should be held in reserves. The current position exceeds this threshold.

It is policy to invest funds at United Trust Bank and CCLA. At December 31 2017, £22,000 was held at CCLA in a no notice deposit, and £15,000 was held at United Trust Bank in a 12 month charity bond maturing in June 2018 earning interest at a fixed rate of 1.5%.

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 each Trustees' meeting.

#### [Plans for future periods](#)

Priorities for 2018 are:

##### *The future of Washford*

The Trust will continue to develop plans to improve the site to offer better storage, display and public facilities, and to actively pursue appropriate funding by way of grants and fundraising.

##### *Volunteer management*

The Trust will continue to develop its support and training for volunteers.

##### *Organisation*

Application for HLF Resilience Funding to support our efforts in improving organisational weaknesses identified in the 50th Anniversary project evaluation report, improve our retail offering and specific volunteer training.

##### *2016 50<sup>th</sup> Anniversary Programme Legacy activities*

The Trust will look to strengthen its activities in such areas as history, modelling and education to build on the successful activities during 2016.

##### *Digitisation of records*

The digitisation of the Trust's photo library will continue to be worked on through 2018.

#### Administrative details

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

#### *Our advisers*

Independent examiner	Martin & Co	Bridport
Bankers	HSBC Bank plc	Yeovil
Solicitors	Stephens Scown	Exeter

## 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 were as follows:

Elected Directors and Trustees:	G R G Baker	Chairman (until 16 September 2017) (died 3 March 2018)
	I M Young	Chairman (from 16 September 2017)
	A N Davies	
	P Guppy	(resigned 20 November 2017)
	R Hardingham	(elected 22 April 2017)
	R Jacob	
	R D W Ormston	
	R S Pope	(elected 22 April 2017)
	J Rodney-Jones	(elected 22 April 2017)
	P J C Trenchard	
Principal Officers:		
Magazine Editor	R D W Ormston	
Membership Secretary	T Dart	
Museum Curator	S R Gillett	(until 22 April 2017)
Museum Collections Assistant	S R Gillett	(from 22 April 2017)
Treasurer	M J Rice	
Webmaster	A Beale	
Washford Site:		
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 4th 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 are encouraged to 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 bi-monthly and may establish sub-committees and time-limited working groups. The Treasurer attends Board meetings, and a more structured programme of involving other officers at Board meetings on a less frequent basis is being introduced.

## Related parties and co-operation with other organisations

None of our 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 primary risks facing the Trust are:

- Resilience – the Trustees are aware that the level of sustainable activities going forward may be constrained by insufficient manpower and other resources. The risk is being managed by engaging the service of outside advisors to identify means of strengthening the organisation.
- Relationships – as a relatively small membership organisation the Trust works hard to engage positively with its volunteers and the wider membership, and also with partner organisations within the West Somerset Railway “family”, other Somerset & Dorset Railway groups and the local communities of which it is part.
- Financial Control – the stewarding of finite financial resources calls for financial discipline and spending plans are carefully managed to be within available financial resources.

Other risks are being addressed by maintaining up to date risk assessments of Trust activities, 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.

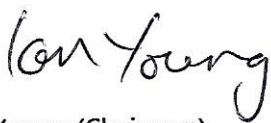
The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement as disclosure to our independent examiner

In so far as the Trustees are aware at the time of approving our 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)

17 March 2018

*Cover picture: 53808 in the late afternoon sun at Dunster during the West Somerset Railway's Autumn Gala, Sunday 8 October 2017    Picture: Fred Worth*



## **INDEPENDENT EXAMINER'S REPORT**

To the Members of The Somerset & Dorset Railway Trust Ltd on the accounts for the year ended 31st December 2017.

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 19th March 2018

Name B.R. Kenway

Qualification FCCA

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

**DIRECTORS**

Rodney D. Varndell, CTA Bruce R. Kenway, FCCA

**CONSULTANTS**

Duncan E. Salter Nigel D. Letheren

Martin & Company is the trading name of Martin and Company (Bridport) Limited.  
Registered Office: 2 Victoria Grove, Bridport, Dorset DT6 3AA  
Registered in England and Wales number: 5555048

**THE SOMERSET & DORSET RAILWAY TRUST LTD**

**STATEMENT OF FINANCIAL ACTIVITIES**

**for year ending 31st December 2017**

	Notes	<b>2017 Unrestricted Funds £</b>	<b>2017 Restricted Funds £</b>	<b>2017 Total Funds £</b>	<b>2016 Total Funds £</b>
<b>INCOMING RESOURCES</b>					
Subscriptions		<b>11,529</b>		<b>11,529</b>	9,881
Donations and grants	3	<b>4,764</b>	<b>6,500</b>	<b>11,264</b>	34,449
Charitable activities	4	<b>7,918</b>	<b>4,821</b>	<b>12,739</b>	12,416
Other activities	5	<b>7,465</b>		<b>7,465</b>	12,444
Investment income	6	<b>483</b>		<b>483</b>	344
Total incoming resources		<b>32,159</b>	<b>11,321</b>	<b>43,480</b>	69,534
<b>RESOURCES EXPENDED</b>					
Expenditure on charitable activities	7	<b>38,005</b>	<b>10,172</b>	<b>48,177</b>	132,456
Cost of generating funds	8	<b>1,516</b>	<b>1,917</b>	<b>3,433</b>	5,320
Governance and support costs	9	<b>1,924</b>		<b>1,924</b>	4,405
Total resources expended		<b>41,445</b>	<b>12,089</b>	<b>53,535</b>	142,180
Net (outgoing)/incoming resources for the year before transfers		<b>(9,286)</b>	<b>(768)</b>	<b>(10,055)</b>	(72,645)
Transfers between funds		<b>(215)</b>	<b>215</b>	<b>0</b>	0
Net (outgoing)/incoming resources for the year		<b>(9,501)</b>	<b>(554)</b>	<b>(10,055)</b>	(72,645)
Accumulated fund brought forward	16	<b>78,173</b>	<b>650</b>	<b>78,823</b>	151,469
Accumulated fund carried forward	16	<b>68,672</b>	<b>96</b>	<b>68,768</b>	78,823

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 2017**

	Notes	<b>2017</b> £	2016 £
<b>FIXED ASSETS</b>			
Tangible Assets	11	<b>23,615</b>	31,202
Investments	12	<b>1</b>	1
<b>CURRENT ASSETS</b>			
Retail stock		<b>4,043</b>	4,072
Debtors and prepayments	13	<b>6,526</b>	6,929
Bank deposits		<b>37,000</b>	37,912
Bank & cash in hand		<b>1,975</b>	3,438
		<b>49,544</b>	52,350
<i>LESS</i>			
<b>CURRENT LIABILITIES</b>			
<i>Falling due within one year</i>			
Creditors and accruals	14	<b>2,135</b>	1,495
Deferred income	15	<b>2,256</b>	3,236
		<b>4,391</b>	4,731
<b>NET CURRENT ASSETS</b>		<b>45,153</b>	47,620
<b>NET ASSETS</b>		<b>68,768</b>	78,823
<i>REPRESENTED BY:</i>			
Unrestricted funds	16	<b>68,672</b>	78,173
Restricted funds	16	<b>96</b>	650
<b>ACCUMULATED FUNDS</b>		<b>68,768</b>	78,823

The notes at pages 13 to 18 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.

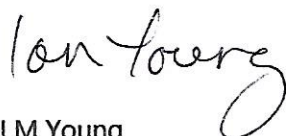
For the year ending 31 December 2017 the company was entitled to exemption from audit under Section 477 of the Companies Act 2006 relating to small companies.

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 17 March 2018

Signed on behalf of the board of directors

A handwritten signature in black ink, appearing to read 'I M Young', with a stylized, flowing script.

I M Young

Chairman

17 March 2018

## 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 6 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	7 – 11%
Rolling Stock	5 – 7%
Engineering Equipment	10 – 25%
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 and DVD's 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	2017 Unrestricted Funds £	2017 Restricted Funds £	2017 Total Funds £	2016 Total Funds £
General donations and gift aid		4,764		4,764	3,804
Grants and specific donations	16		6,500	6,500	30,645
		<b>4,764</b>	<b>6,500</b>	<b>11,264</b>	<b>34,449</b>

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 our annual report. In accordance with accounting standards, the economic contribution of volunteers is not measured in the accounts.

## 4. Income from charitable activities

	2017 Unrestricted Funds £	2017 Restricted Funds £	2017 Total Funds £	2016 Total Funds £
Museum entrance	2,023		2,023	0
Raffle	0	4,821	4,821	5,630
Model railway display	2,321		2,321	2,065
Special train	2,073		2,073	2,156
50th Anniversary Dinner	0		0	1,760
Other events	0		0	806
S&D 200 Club	1,500		1,500	0
	<b>7,918</b>	<b>4,821</b>	<b>12,739</b>	<b>12,416</b>



## 5. Income from other activities

	Notes	2017 Unrestricted Funds £	2017 Restricted Funds £	2017 Total Funds £	2016 Total Funds £
<b>Retail Sales</b>		<b>14,291</b>		<b>14,291</b>	19,670
<b>Less: Cost of Sales:</b>					
Stock 1 January		4,072		4,072	4,783
Add: Purchases		7,563		7,563	8,666
Less: Stock 31 December		(4,043)		(4,043)	(4,072)
		<u>7,592</u>	<u>0</u>	<u>7,592</u>	<u>9,377</u>
<b>Gross Profit</b>		<b>6,699</b>	<b>0</b>	<b>6,699</b>	10,293
Less: Post, packing and sundry costs		957		957	1,285
		<u>5,741</u>	<u>0</u>	<u>5,741</u>	<u>9,008</u>
<b>Retail sales contribution</b>		<b>18</b>		<b>18</b>	0
Photo collection income		18		18	0
Loco hire and other income	11	1,706		1,706	3,436
		<u>7,465</u>	<u>0</u>	<u>7,465</u>	<u>12,444</u>

## 6. Investment income

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

## 7. Expenditure on charitable activities

	Notes	2017 Unrestricted Funds £	2017 Restricted Funds £	2017 Total Funds £	2016 Total Funds £
Magazines		6,386		6,386	6,476
Insurance		5,284		5,284	4,795
Museum electricity		2,660		2,660	4,089
Museum rent, water, phone etc.		1,660		1,660	1,937
Museum safety and security		1,745		1,745	1,369
Museum maintenance		816		816	3,271
Shed, track, equipment maintenance		760	554	1,314	2,955
Locomotives expenditure		2,592		2,592	510
Carriage restoration: Coach 4	16	0		0	25,338
Carriage maintenance		191		191	10,208
Wagons maintenance	16	999	3,119	4,117	11,942
Website, publicity, other events	13	994		994	1,826
Museum displays and administration		1,020		1,020	1,504
2016 50th Anniversary of Closure	16	4,510	6,500	11,010	47,822
Depreciation	11	8,387		8,387	8,412
		<u>38,005</u>	<u>10,172</u>	<u>48,177</u>	<u>132,456</u>

## 8. Cost of generating funds

	2017 Unrestricted Funds £	2017 Restricted Funds £	2017 Total Funds £	2016 Total Funds £
Cost of generating funds - Raffle	0	1,917	1,917	1,989
- Model Railway Display	998		998	1,398
- Special train	518		518	270
- 50th Anniversary Dinner	0		0	1,662
	<u>1,516</u>	<u>1,917</u>	<u>3,433</u>	<u>5,320</u>

## 9. Governance and support costs

	2017 Unrestricted Funds £	2017 Restricted Funds £	2017 Total Funds £	2016 Total Funds £
AGM and board meetings	418		418	203
HRA subs, travel, stationery, postage	525		525	492
Trustees' travel expenses	149		149	1,003
Future Sustainability - consultancy	0		0	1,000
Volunteer Management expenses	15		15	164
Membership administration	504		504	1,243
Examiner's fee and expenses	312		312	300
	<b>1,924</b>	<b>0</b>	<b>1,924</b>	<b>4,405</b>

The charity has no paid employees (2016: None).

The charity Trustees were not paid nor received any other benefits from the charity (2016: None). One Trustee was reimbursed expenses in attending Trustees' meetings (2016: two) in accordance with procedures laid down by the Trustees.

No charity Trustee received payment for professional or other services supplied to the charity (2016: 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 £20,360 to the end of 2017. 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	147,975	91,272	10,235	16,630	29,838
Additions in the year	800	0	0	800	0
Disposals in the year	-1,750	0	0	-1,750	0
Carried forward	<b>147,025</b>	<b>91,272</b>	<b>10,235</b>	<b>15,680</b>	<b>29,838</b>
<b>Depreciation</b>					
Brought forward	116,773	74,320	9,728	15,531	17,194
Disposals in the year	-1,750	0	0	-1,750	0
Charge for the year	8,387	4,853	170	663	2,701
Carried forward	<b>123,411</b>	<b>79,173</b>	<b>9,898</b>	<b>14,444</b>	<b>19,896</b>
<b>Net Book Value</b>					
31st December 2016	<b>31,202</b>	<b>16,952</b>	<b>507</b>	<b>1,100</b>	<b>12,644</b>
31st December 2017	<b>23,615</b>	<b>12,099</b>	<b>337</b>	<b>1,237</b>	<b>9,943</b>

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. The locomotive returned to service in 2016 after a major overhaul and remains fully operational.

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 2016 income includes £500 in respect of hiring fees for 'Kilmersdon' (see note 5) (2015: £600).

## 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

	2017 £	2016 £
Prepaid website costs	796	0
Prepaid insurance	4,044	4,480
Other prepaid expenses	1,425	1,542
Accrued income	261	906
	<u>6,526</u>	<u>6,929</u>

## 14. Creditors: amounts falling due within one year

	2017 £	2016 £
Creditors	1,042	415
Accruals	1,093	1,079
	<u>2,135</u>	<u>1,495</u>

## 15. Deferred income

Deferred income comprises subscriptions received in advance for the following year.

## 16. Analysis of charitable funds

### *Movements in restricted funds*

	Opening Balance 01/01/2017 £	Incoming Resources £	Resources Expended £	Transfers in year £	Closing Balance 31/12/2017 £
<b>Restricted Funds</b>					
S&D 50th Anniversary (Heritage Lottery Fund)	0	6,500	(6,500)		0
Washford Signal Projects	650	0	(554)		96
Museum vehicle upgrades	0	4,821	(5,036)	215	0
<b>Total Restricted Funds</b>	<u>650</u>	<u>11,321</u>	<u>(12,089)</u>	<u>215</u>	<u>96</u>

- a) *S&D 50th Anniversary Restricted Fund*: The 50th anniversary of the closure of the S&D line was marked in 2016 with a programme of special events. The restricted fund represented the grant received from the Heritage Lottery Fund for this purpose and specific donations less costs. The project completed in July 2017.

- b) *Washford Signal Projects Restricted Fund*: This represents a single specific donation for the replacement of signal wire at Washford which was expended in 2017. The small remaining balance will be carried forward for similar signalling projects at Washford.
- c) *Museum Vehicle Upgrade Restricted Fund*: The net proceeds of the 2017 raffle were restricted for the purpose of upgrading and renovating the vehicles housing the museum at Washford. The proceeds of the raffle were fully spent on upgrade and renovation costs in 2017.

#### *Movements in unrestricted funds*

	Opening Balance 01/01/2017	Incoming Resources	Resources Expended	Transfers in year	Closing Balance 31/12/2017
<b>Unrestricted Funds</b>	£	£	£	£	£
General Fund	50,657	32,159	(36,935)	(700)	45,181
Designated Funds:					
S&D 50th Anniversary: HLF Matching Funds	4,525		(4,510)	(15)	0
Coach Restoration (including coaches 98/114)	12,628				12,628
Kilmersdon Overhaul	10,363			500	10,863
<b>Total Unrestricted Funds</b>	<b>78,173</b>	<b>32,159</b>	<b>(41,445)</b>	<b>(215)</b>	<b>68,672</b>

- a) *S&D 50th Anniversary Designated Fund (HLF Matching Fund)*: As part of the application for a Heritage Lottery Fund grant (see above) the trustees were required to provide £10,000 cash funding of the S&D 50th Anniversary project. At project completion in July 2017 £9,985 had been spent, and the remainder was reclassified as General Funds.
- b) *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.
- 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 expected in 2021. Fees designated to date amount to £10,863.

## **17. Related party transactions**

Mr Roger Hardingham is the owner of Kingfisher Productions, a supplier of railway books and DVDs. During the period subsequent to his election to the board on 22 April 2017, the Trust purchased goods to the value of £286 from, and sold goods to the value of £129 to Kingfisher Productions. At 31 December 2017 no money was owing to Kingfisher Productions, and £129 was owing to the Trust (paid on 7 January 2018).

Mr Ryan Pope is an employee of WSRA Promotions Ltd, a subsidiary of West Somerset Railway Association Ltd. During the period subsequent to his election to the board on 22 April 2017, the Trust sold services to the value of £500 to West Somerset Railway Association Ltd. At 31 December 2017 no money was owing to the Trust.

Mr Ryan Pope is the owner of locomotive Andrew Barclay 0-4-0ST 1219 "Caledonia Works". For the period from 17 April 2017 until 31 December 2017 the locomotive was stored at Washford. A formal agreement was in place throughout this period whereby the locomotive was stored free of charge, in return for a minimum of 10 steaming days at Washford. The locomotive is under the care of the Andrew Barclay Restoration Group. During the period subsequent to Mr Pope's election to the board on 22 April 2017, the Trust purchased goods to the value of £158 from Andrew Barclay Restoration Group. At 31 December 2017 no money was owing to Andrew Barclay Restoration Group.