

THE SOMERSET & DORSET RAILWAY TRUST LTD

(A company limited by guarantee)

REPORT & FINANCIAL STATEMENTS

Year ending 31st December 2018



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 2018

The Trustees are pleased to present their annual Directors' report together with the financial statements of the charity for the year ending 31 December 2018 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 annual Model Railway Exhibition in Edington Village Hall has been a regular feature in the Trust calendar for many years and the 2018 display represented a good start to the year with the quality of the exhibits and the interest shown. Godfrey Baker had taken responsibility for this event previously but was not well enough to take part. This was one of many occasions last year where his contribution and presence were sadly missed. Martin Rice and David Temple made the arrangements and organised the exhibits and their work was appreciated.

The Annual General Meeting was the next such occasion, but members enjoyed a good day of events. The Modelling Competition attracted few entries but our guest, Ian Coleby, set the standard. In his capacity as the then Chairman of West Somerset Railway plc, Ian also signed the new lease for Washford, agreed by their board the previous November, which will take effect in April 2020. A proportion of directors were re-elected at the AGM. In addition, two new directors were elected, Martin Atkins and Martin Rice. Martin Rice has been Treasurer for some years, advising the Board on financial matters and he is a welcome addition to the management trustees. Subsequent to the AGM the Chairman took the opportunity to review areas of responsibilities allocated to directors and these are detailed on page 6.

The Board, together with member volunteers, has been working throughout the year to improve the visitor experience at Washford and also to reach out to a wider public. Volunteer activity at Washford is significant on at least two days of the week with efforts being made to have at least one person on Washford station on each day the railway operates. This gives rise to great challenges, given the relative remoteness of Washford from the main towns and the relatively small number of members who live in the area. It was agreed during the year to include this challenge in a more general evaluation of the Trust's resilience in the areas of volunteering, marketing and sales. Jon Rodney-Jones, Director, led a bid for Heritage Lottery Funding to action this. The bid was successful, and funds were made available from late 2018.

It was also quite late in the year when the impact of the opening of the Steam Coast Trail became apparent. Usage has been greater than expected, presenting an opportunity for the Trust but also a challenge as there is no official entrance to the station from that direction. Nevertheless, it has helped the success of special events, such as the '40s' weekend due to the proximity of suitable areas for displays and food sales. Jon Rodney-Jones and his family have been instrumental in maximising the potential of these events with limited but imaginative resources.

The Trust continues to plan for the eventual overhaul of Kilmersdon and the 2018 hiring to the Helston Railway has been of great financial benefit to both parties. A boiler inspection is due in early 2019 which will determine whether the engine can run up to end of its present certificate.

The Board have also been forming plans for the restoration of one or both of the other six-wheel coaches in its possession. This will be an ambitious and costly project, but the Board has been encouraged by the success of Coach No 4 and the interest it has attracted. On page 5 there is news of preparatory work which would involve alternative accommodation for steaming locos to avoid contamination of such exhibits.

The end of 2018 has brought a degree of uncertainty as to the resilience of the West Somerset Railway but the Trust Board are closely monitoring developments on this front.

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 2018, the Trustees paid particular attention to activities involving public benefit, including providing facilities to show video footage at Washford and developing ideas to appeal to users of the new Steam Coast Trail footpath and cycleway which is adjacent to our museum. A new projection facility has been built into a restored van and it has been possible to reach a wider audience than just those visiting Washford. A good example was the exhibition van being displayed at the WSRA Steam Fayre near Taunton. The vehicle attracted wide interest. Artefacts, displays and film shows were continuously available to the public. Work was carried out at Washford to refresh the exhibits on show, with particular attention paid to the interactive signalling display and the apparatus devised by Whittaker, unique to the Somerset & Dorset, used for single line working.

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. Several priority actions have been completed successfully:

- Completed the restoration of Coach 4
- Undertook a programme for 2016 marking the 50th anniversary of the railway's closure and the founding of the Trust
- Agreed and secured the future and development of the Washford site
- Created a new website and refreshed the Trust's magazine 'Pines Express'

Work continues on:

- Improving the established organisational structure with clear accountabilities
- Engaging the membership in the development of the Trust and its future plans

Our volunteers

The Board continues working to strengthen the Trust's volunteer management. The Chairman attended the first of a series of seminars aimed at small to medium sized museums on the topic of resilience. The seminars are organised by the Cornwall Museums Partnership in conjunction with Devon and Somerset. In 2019 more attention will be given to the Trust's membership database as a resource to identify and nurture a future tranche of volunteers. Other Trustees have participated in training events relating to GDPR and HLF project management. With advice from professional heritage bodies, the Board has 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. HLF Resilience funding received includes some assistance for more effective training materials.

Achievements and performance

Future of Washford

At the 2018 AGM a new 50 year lease with West Somerset Railway plc was signed.

The Washford Development Working Group, under the chairmanship of Jon Rodney-Jones, consisting of four Trustees and a number of Washford volunteers, has continued to come up with a variety of ideas to clean up the site, raise the profile of Washford as a stopping off point, and been a prime mover in achieving HLF Resilience Funding.

Washford Museum Displays

During the year a surplus BR Mark 1 BG was acquired from WSRA at Williton, painted green and work is nearly complete in refurbishing it to act as an additional museum display space. The SR PMV van has completed its refurbishment with refreshed displays and reopened as a museum vehicle in the autumn.

Washford Events

A small team has put on a variety of events during the year with varying degrees of success, including a "Wet Your Whistle" concert at the Spring Gala, a Beer Festival during the Diesel Gala, WVS style catering at the 1940's weekend and a catering stall at the WSRA Norton Fitzwarren Steam Fayre. Over £1,400 net was raised for Trust funds from these events.

Locomotive 'Kilmersdon'

'Kilmersdon' is in the ninth year of its 10 year boiler certificate, and the Trust was pleased to assist Helston Railway in Cornwall with the long term loan of the locomotive from May 2018 to January 2019. The locomotive pulled the first steam hauled fare paying passenger trains on that line in preservation and was steamed for 36 days. This has resulted in a significant fee being payable to the Trust which will go some way in providing funding for the 10 yearly overhaul in 2021.

HLF Resilience Project

The Trust was successful in obtaining a HLF Resilience Fund grant of £14,700. This is being used to fund external consultants to advise on improving our retail offering, marketing and volunteer management and support. The consultants have been asked to take forward the relevant conclusions from the 2016 50th Anniversary project regarding legacy. Work commenced in the Autumn and will be completed in Spring 2019.

'Pines Express' and website

The 'Pines Express' magazine continues to maintain its high standard. The ecommerce section of the website has been particularly successful, increasing online sales by over 50% in the year.

Digitisation of photographic collection

Progress has continued in digitising and cataloguing the Trust's photographic collection. Over 250 digitised images are now available for purchase via the website. Trustees have also agreed a policy to make digitised images available for commercial use where we hold copyright or reproduction rights.

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 2018 to reflect the changed composition of the Board. Martin Rice assumed the Finance portfolio and Martin Atkins will assume responsibility for Washford from January 2019. Jon Rodney-Jones has taken on the Volunteer Management portfolio. Current board responsibilities are shown on page 6. The passing of the previous Chairman, Godfrey Baker, represented a great loss to the Trust. Godfrey's chairmanship was characterised by a calm and patient management style which gained the respect of all who worked with him. However, Godfrey also devoted a lot of his time to fulfilling the role of a Company Secretary, work largely not noticed by the Board. Hence it is becoming even more essential to bring in more administration expertise to support the Directors in carrying out the aims and objectives. 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 inflow of £9,194 in the year boosted by hire fees for 'Kilmersdon', a small legacy and HLF Resilience funding. Of the closing unrestricted funds balance, £36,582 is in the General fund with the remainder designated (see note 17 for details). Restricted funds increased from £650 to £7,000.

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 2018, £29,000 was held at CCLA in a no notice deposit, and £15,225 was held at United Trust Bank in a 12 month charity bond maturing in June 2019 earning interest at a fixed rate of 1.7%.

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

Plans for 2019 include:

The future of Washford

The Trust will make the most of the opportunities going forward, despite the challenging constraints in relation to parking and public access. In particular, the opening of the Steam Coast Trail has seen considerable usage, bringing a new source of potential visitors. Facilities at Washford are well developed and provide the means for further restoration work.

Plans are well advanced for the construction of a single road engine shed at Washford to enable steaming of locomotives to be separated from storage of restored rolling stock.

HLF Resilience Project

The Trustees will consider the findings of the three consultants and identify the best way forward in improving our retail offering, marketing and volunteer management.

Locomotive 'Kilmersdon'

The Trustees will respond to a request from Helston Railway to extend the loan period of 'Kilmersdon' until the end of 2019, once the locomotive has undergone its annual boiler test.

Digitisation of records

The digitisation and availability of the Trust's photo library will continue to be worked on through 2019.

Coach Restoration Appeal

The Trust will launch this during 2019, with a view to beginning restoration of Coaches 98 & 114. This follows on from an award from the Heritage Railway Association for the restoration of Coach 4 from which maximum publicity can be gained.

[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, together with the portfolios held, were as follows:

Elected Directors and Trustees:	I M Young	Chairman	(Governance)
	M Atkins	(elected 21 April 2018)	(Washford Site)
	G R G Baker	(died 3 March 2018)	
	A N Davies		(Sales)
	R Hardingham		(Promotions)
	R Jacob		
	R D W Ormston		(Communications)
	R S Pope		(Locomotives, Health & Safety)
	M J Rice	(elected 21 April 2018)	(Finance)
Principal Officers:	J Rodney-Jones		(Development, Volunteer Management)
	P J C Trenchard		(Partnerships & Heritage)
	Magazine Editor	R D W Ormston	
	Membership Secretary	T Dart	(until 31 July 2018)
		A Young	(from 1 August 2018)
	Museum Collections Assistant	S R Gillett	
	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:

- 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.
- Much time and effort is being spent currently in updating the working relationship with our landlords at Washford, WSR plc, whose difficulties have become publicly apparent in recent months. Trustees are actively exploring how the integrity, assets and well-being of the Trust may best be protected.
- Resilience – the Trustees are aware that the level of sustainable activities going forward may be constrained by insufficient manpower and other resources. The Trustees will review carefully the recommendations of the HLF funded consultants in this respect during 2019.
- 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, 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 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)

16 March 2019



INDEPENDENT EXAMINER'S REPORT

To the Members of The Somerset & Dorset Railway Trust Ltd on the accounts for the year ended 31st December 2018.

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 17th March 2019

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 2018

	Notes	2018 Unrestricted Funds £	2018 Restricted Funds £	2018 Total Funds £	2017 Total Funds £
INCOMING RESOURCES					
Subscriptions		9,906		9,906	11,529
Donations and grants	3	4,842	8,600	13,442	11,264
Charitable activities	4	11,023	4,565	15,588	12,739
Other activities	5	14,450		14,450	7,465
Investment income	6	347		347	483
Total incoming resources		<u>40,567</u>	<u>13,165</u>	<u>53,732</u>	<u>43,480</u>
RESOURCES EXPENDED					
Expenditure on charitable activities	7	33,961	250	34,211	48,177
Cost of generating funds	8	2,551	1,511	4,062	3,433
Governance and support costs	9	1,766	4,500	6,266	1,924
Total resources expended		<u>38,277</u>	<u>6,261</u>	<u>44,538</u>	<u>53,535</u>
Net (outgoing)/incoming resources for the year before transfers		2,290	6,904	9,194	(10,055)
Transfers between funds		0	0	0	0
Net (outgoing)/incoming resources for the year		2,290	6,904	9,194	(10,055)
Accumulated fund brought forward	16	68,672	96	68,768	78,823
Accumulated fund carried forward	16	<u>70,962</u>	<u>7,000</u>	<u>77,962</u>	<u>68,768</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 2018

	Notes	2018 £	2017 £
FIXED ASSETS			
Tangible Assets	11	18,448	23,615
Investments	12	1	1
CURRENT ASSETS			
Retail stock		3,763	4,043
Debtors and prepayments	13	7,797	6,526
Bank deposits		44,225	37,000
Bank & cash in hand		10,247	1,975
		<u>66,032</u>	<u>49,544</u>
<i>LESS</i>			
CURRENT LIABILITIES			
<i>Falling due within one year</i>			
Creditors and accruals	14	2,002	2,135
Deferred income	15	4,518	2,256
		<u>6,520</u>	<u>4,391</u>
NET CURRENT ASSETS		59,512	45,153
NET ASSETS		<u>77,962</u>	<u>68,768</u>
<i>REPRESENTED BY:</i>			
Unrestricted funds	16	70,962	68,672
Restricted funds	16	7,000	96
ACCUMULATED FUNDS		<u>77,962</u>	<u>68,768</u>

The notes at pages 12 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 2018 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 16 March 2019

Signed on behalf of the board of directors


I M Young, Chairman

16 March 2019

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 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, 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	2018 Unrestricted Funds £	2018 Restricted Funds £	2018 Total Funds £	2017 Total Funds £
General donations and gift aid		1,493		1,493	4,764
Grants and specific donations	16	404	8,600	9,004	6,500
Legacies	16	2,945		2,945	0
		4,842	8,600	13,442	11,264

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

	2018 Unrestricted Funds £	2018 Restricted Funds £	2018 Total Funds £	2017 Total Funds £
Museum entrance	2,091		2,091	2,023
Raffle	0	4,565	4,565	4,821
Model railway display	2,083		2,083	2,321
Special train	2,008		2,008	2,073
Other events	2,342		2,342	0
S&D 200 Club	2,500		2,500	1,500
	11,023	4,565	15,588	12,739

5. Income from other activities

	Notes	2018 Unrestricted Funds £	2018 Restricted Funds £	2018 Total Funds £	2017 Total Funds £
Retail Sales		15,933		15,933	14,291
Less: Cost of Sales:					
Stock 1 January		4,043		4,043	4,072
Add: Purchases		8,056		8,056	7,563
Less: Stock 31 December		(3,763)		(3,763)	(4,043)
		8,336	0	8,336	7,592
Gross Profit		7,596	0	7,596	6,699
Less: Post, packing and sundry costs		1,028		1,028	957
Retail sales contribution		6,568	0	6,568	5,741
Photo collection income		101		101	18
Loco hire and other income	11, 16	7,781		7,781	1,706
		14,450	0	14,450	7,465

6. Investment income

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

7. Expenditure on charitable activities

	Notes	2018 Unrestricted Funds £	2018 Restricted Funds £	2018 Total Funds £	2017 Total Funds £
Magazines		6,534		6,534	6,386
Insurance		4,833		4,833	5,284
Museum electricity		1,915		1,915	2,660
Museum rent, water, phone etc.		1,701		1,701	1,660
Museum safety and security		2,213		2,213	1,745
Museum maintenance		2,473		2,473	816
Shed, track, equipment maintenance		1,077	0	1,077	1,314
Locomotives expenditure		267		267	2,592
Carriage maintenance		2,167	250	2,417	191
Wagons maintenance	16	633	0	633	4,117
Website, publicity, other events	13	1,098		1,098	994
Museum purchase	10	15		15	0
Museum displays and administration		1,235		1,235	1,020
2016 50th Anniversary of Closure	16	0	0	0	11,010
Depreciation	11	7,800		7,800	8,387
		33,961	250	34,211	48,177

8. Cost of generating funds

	2018 Unrestricted Funds £	2018 Restricted Funds £	2018 Total Funds £	2017 Total Funds £
Cost of generating funds - Raffle	0	1,511	1,511	1,917
- Model Railway Display	1,272		1,272	998
- Special train	395		395	518
- Washford events	884		884	0
	2,551	1,511	4,062	3,433

9. Governance and support costs

	2018 Unrestricted Funds £	2018 Restricted Funds £	2018 Total Funds £	2017 Total Funds £
AGM and board meetings	593		593	418
HRA subs, travel, stationery, postage	324		324	525
Trustees' travel expenses	0		0	149
HLF Resilience Project - Consultancy	0	4,500	4,500	0
Volunteer Management expenses	63		63	15
Membership administration	456		456	504
Examiner's fee and expenses	330		330	312
	1,766	4,500	6,266	1,924

The charity has no paid employees (2017: None).

The charity Trustees were not paid nor received any other benefits from the charity (2017: None). No Trustee were reimbursed expenses in attending Trustees' meetings (2017: one) in accordance with procedures laid down by the Trustees.

No charity Trustee received payment for professional or other services supplied to the charity (2017: 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 £20,375 to the end of 2018. 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	147,025	91,272	10,235	15,680	29,838
Additions in the year	2,634	231	2,000	244	159
Disposals in the year	0	0	0	0	0
Carried forward	149,659	91,503	12,235	15,924	29,997
Depreciation					
Brought forward	123,411	79,173	9,898	14,444	19,896
Disposals in the year	0	0	0	0	0
Charge for the year	7,800	4,309	270	488	2,733
Carried forward	131,211	83,482	10,169	14,931	22,629
Net Book Value					
31st December 2017	23,615	12,099	337	1,237	9,943
31st December 2018	18,449	8,021	2,066	993	7,368

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 2018 income includes £7,000 in respect of hiring fees for 'Kilmersdon' (see note 5) (2017: £500).

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

	2018	2017
	£	£
Prepaid website costs	398	796
Prepaid insurance	3,656	4,044
Other prepaid expenses	1,728	1,425
Accrued income	2,015	261
	<u>7,797</u>	<u>6,526</u>

14. Creditors: amounts falling due within one year

	2018	2017
	£	£
Creditors	1,490	1,042
Accruals	511	1,093
	<u>2,002</u>	<u>2,135</u>

15. Deferred income

Deferred income comprises subscriptions received in advance for the following year, and also in 2018 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 01/01/2018	Incoming Resources	Resources Expended	Transfers in year	Closing Balance 31/12/2018
	£	£	£	£	£
Restricted Funds					
Washford Signal Projects	96	0	0		96
HLF Resilience Project		7,350	(4,500)		2,850
Museum Collection		1,000			1,000
BG Renovation		250	(250)		0
Kilmersdon Tyres		4,565	(1,511)		3,054
Total Restricted Funds	<u>96</u>	<u>13,165</u>	<u>(6,261)</u>	<u>0</u>	<u>7,000</u>

- a) *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 is being carried forward for similar signalling projects at Washford.
- b) *HLF Resilience Project*: This represents the grant received from the Heritage Lottery Resilience Fund less costs to date. Of the total £14,700 awarded, £7,350 had been received to the end of 2018. The project is anticipated to complete in mid 2019.
- c) *Museum Collection*: This represents a single specific donation for the acquisition of appropriate items for our museum collection at Washford. There has been no expenditure to date.
- d) *BG Renovation*: This represents a single specific donation towards costs incurred in converting the BG into a museum display vehicle. It was fully spent on renovation costs in 2018.
- e) *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.

Movements in unrestricted funds

	Opening Balance 01/01/2018	Incoming Resources	Resources Expended	Transfers in year	Closing Balance 31/12/2018
Unrestricted Funds	£	£	£	£	£
General Fund	45,181	30,219	(38,277)	(540)	36,582
Designated Funds:					
Coach Restoration (including coaches 98/114)	12,628				12,628
Kilmersdon Overhaul	10,863	7,000			17,863
HLF Resilience: SDRT committed contribution				540	540
White Legacy		2,945			2,945
Baker Memorial		404			404
Total Unrestricted Funds	68,672	40,567	(38,277)	0	70,962

- 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) *'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 due in 2021. Fees designated to date amount to £17,863.
- c) *HLF Resilience Project SDRT Committed contribution*: As part of the application for a Heritage Lottery Fund grant (see above) the Trustees were required to provide £540 cash funding. Consequently this amount was designated by the Trustees. It is expected to be utilised in full in 2019.
- d) *White legacy*: This represents a legacy received from the estate of the late Colin White. The Trustees have agreed to designate this amount whilst an appropriate use for the money is identified.
- e) *Baker memorial*: This represents donations received from the funeral of our late Chairman, Godfrey Baker. The Trustees have agreed to designate this amount whilst an appropriate use for the money is identified.

17. Related party transactions

Mr Roger Hardingham is the owner of Kingfisher Productions, a supplier of railway books and DVDs. During 2018 the Trust purchased goods to the value of £830 from, and sold goods to the value of £262 to Kingfisher Productions (2017: £286 and £129 respectively). At 31 December 2018 £139 was owing to Kingfisher Productions (2017: £Nil), and £179 was owing to the Trust (2017: £129)

Mr Ryan Pope is an employee of WSRA Promotions, a subsidiary activity of West Somerset Railway Association Ltd. During 2018 the Trust purchased £2,000 of assets from, and sold services to the value of £Nil to West Somerset Railway Association Ltd (2017: £Nil and £500 respectively). During 2018 the Trust purchased £1,907 of services from WSRA Promotions (2017; £Nil). At 31 December 2017 no money was owing to or from the Trust.

Mr Ryan Pope is the owner of locomotive Andrew Barclay 0-4-0ST 1219 "Caledonia Works". During 2018 the locomotive was stored at Washford. No formal agreement was in place but in return for storage free of charge, the loco was used to shunt the yard and was steamed on a number of occasions during the absence of our own loco 'Kilmersdon'. The locomotive is under the care of the Andrew Barclay Restoration Group. During 2018 the Trust purchased goods to the value of £792 from Andrew Barclay Restoration Group (2017: £158). At 31 December 2018 no money was owing to Andrew Barclay Restoration Group.

Cover picture: 'Kilmersdon' loaded at Washford awaiting departure for Helston, 27 April 2018. Picture: Dave Temple

