

Company Number 4115126
Charity Number 1087318

The Swanage Railway Trust
(A Company Limited by Guarantee)
Consolidated Accounts
For the year ended 31 December 2013

**THE SWANAGE RAILWAY TRUST
INDEX TO CONSOLIDATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

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**THE SWANAGE RAILWAY TRUST
COMPANY DETAILS**

COMPANY REGISTRATION NO: 4115126
CHARITY NO: 1087318
COMPANY SECRETARY: M R Woolley
REGISTERED OFFICE: Station House
Swanage
Dorset, BH19 1HB

**DIRECTORS AND TRUSTEES
(Collectively know as the Council of
Management)**

G C Johns (Chairman)
Mrs E M Sellen (Vice Chairman)
A L Moore (Treasurer)(Resigned October 2013)
P T Clements (Treasurer)(Appointed October 2013)
M R Woolley (Secretary)
N Au
S J Barker
T D Buck
D A Budd (Resigned October 2013)
G Cope
J E Gregory
I J McDavid
M McManus (Appointed October 2013)
T J Parsons
P N Sills (Appointed October 2013)
M A Stollery
W S Trite
M A Whitwam

PROFESSIONAL ADVISERS

BANKERS

Barclays Bank Plc
Barclays House
Wimborne Road
Poole
Dorset BH15 2BB

AUDITOR

Ward Goodman Limited
4 Cedar Park, Cobham Road
Ferndown Industrial Estate
Wimborne
Dorset BH21 7SF

THE SWANAGE RAILWAY TRUST

CHAIRMAN'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

2013, for the Trust, was a further year of solid progress. The Trust has two main ways of meeting its charitable objectives: firstly by the work undertaken by the Swanage Railway, through our subsidiary Company (the Swanage Railway Company), and secondly, by direct activity undertaken by the Trust.

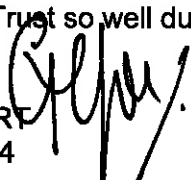
The Railway has performed well. Economic conditions remained uncertain, but against that, our passengers enjoyed what we provide and we had over 210,000 passengers, almost reaching our all-time record in 2009. A number of awards were received confirming this. With receipts at this level some investment in further projects by the Company was self-funded. The Trust funded further work for the Railway of a strategic nature. Company costs, excluding capital expenditure, as a percentage of turnover decreased marginally when compared with 2012. Due to the specific terms of the relationship between the Trust and Company, any trading surplus is returned to the Trust and accordingly the Company reports a nil profit for the trading year. The Trustees' would like to thank Peter Sills and the Board for their continued excellent work and support in directing the Company's affairs, to achieve this outcome.

Turning to the Trust's direct activity, during 2013 the Trust has, due largely to a specific donation, been able to significantly upgrade its Museum and Education services by appointing an appropriately qualified Manager. Work has commenced to co-ordinate all museum and archiving activity in order to achieve a suitable standard for Accreditation. Education services will follow. The other notable event was the opening, after 10 years hard work, of the Norden Mining Museum. Although primarily aimed at conserving a ball clay mine from Norden on a site next to Norden station, the volunteers found themselves in the position to tell the story of ball clay extraction in Dorset with its railway connections. The achievement of an award by the Heritage Railway Association firmly underlined the quality of the work by the team involved. We are also proud of the work done by the team working on heritage coaches which for our customers can provide an even more memorable visit to the line. The results should be ready for use in 2014.

With the objectives we have as a Trust, and the trading environment we operate in we cannot afford to be complacent. 2014 will be challenging. We need to maintain focus on providing what our passengers want and keeping costs as low as practicable. The Trust is keen to see the Company become more self-sufficient. Although the time profile of cash receipts across a year does not assist, we will look to jointly aligning our business planning to achieve the best outcome within charity law and good accounting principles. We will also refresh the Strategic Plan to take account of some significant events, notably extending our infrastructure towards Wareham and the taking of new long term leases. We will also start a more rigorous look at volunteering experience on the railway, as in the medium term competition for volunteers will be harder and we will need to compete with the best.

2014 represents 35 years since the project started, so it will be a good time to reflect on the outcome of the hard work of all our volunteers and staff over the years. To all of you who have been involved from the beginning, thank you for staying the course, and for everyone else, no matter how long you have supported the Railway, thank you for your contribution. Without every hour that individuals contribute the railway would be poorer. On behalf of the Trustees thank you. Finally, my special thanks to Liz Sellen, who chaired the Trust from July 2011 to October 2013, for leading the Trust so well during that time.

Gavin Johns
Chairman SRT
21 June 2014



THE SWANAGE RAILWAY TRUST

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

The directors are pleased to present their report together with the financial statements of the charity for the year ended 31 December 2013.

STRUCTURE, GOVERNANCE AND MANAGEMENT

CONSTITUTION

The Swanage Railway Trust is a company limited by guarantee and a registered charity governed by its Memorandum and Articles of Association. Its Charity Number is 1087318 and its Company Number is 4115126.

The legal and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association, and the Statement of Recommended Practice – Accounting and Reporting by Charities (SORP 2005).

OBJECTIVES AND ACTIVITIES

The objectives of the Swanage Railway Trust, as set down in its Memorandum of Association, is to study, compile records on and acquire, restore, preserve and maintain railway lines, locomotives, rolling stock and other items of railway interest, and to provide training and instruction in such activities and in particular but without prejudice to the generality of the foregoing those associated with the Isle of Purbeck, the former London and South Western Railway, other Railways which were in existence in Southern England during and before the year of nineteen hundred and twenty-three, the Southern Railway, and the Southern Region of British Railways, and to enter in such agreements and to take all such steps as may be necessary for these purposes, and to organize, sponsor and support displays and such other shows and events for the provision and stimulation of information, education and interest in such vehicles and other items of railway interest.

PUBLIC BENEFIT

The directors have given due regards to the requirement of the Charity Commission with respect to public benefit.

The Trust discharges its obligations for the public benefit through the direct management of its museum functions and through the operation of train services by its subsidiary, the Swanage Railway Company Limited. As well as providing railway services using heritage locomotives and rolling stock, the Company's activities provide the opportunity for volunteers to give their services in support of the railway and to gain additional skills by so doing. The Trust's activities, directly and indirectly as above, make a significant contribution to the Purbeck and Dorset economy. The Trust endeavours to accommodate all sections of the community both as volunteers and as visitors.

MANAGEMENT

The Swanage Railway Trust has a single management body, the Board of Directors (also known as the Council of Management), elected by the members for a two year period. Fifty percent of the directors are required to retire by rotation each year at the Trust's Annual General Meetings.

THE SWANAGE RAILWAY TRUST
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2013

CHANGES OF OFFICERS

At the Trust's Council of Management meeting held on 26 October 2013, the following new appointments were made:-

Chairman - Gavin Johns;
Vice-Chairman - Liz Sellen;
Treasurer - Paul Clements

DIRECTORS MEETINGS

The Council of Management meets on a monthly basis.

DIRECTOR INDUCTION AND TRAINING

The Directors of the Trust are elected by the membership of the Trust or, in the case of the Secretary and Treasurer, can be appointed ex-officio in order to ensure that the Board has suitably experienced persons in these positions. All Directors of the Trust are members of the Trust and as such are familiar with the overall goals of the Trust. A formal review of the Trust policies is held annually at the meeting following elections to ensure that these remain appropriate and that the new Directors are familiar with them.

The Swanage Railway Trust provides a briefing pack to members considering standing for election to the Council of Management. This pack includes, inter-alia, a copy of the Trust's Articles of Association, a copy of the Trust's formal policies and a copy of CC3 – The Charity Commission's guide for new Trust Directors. Successful candidates are asked to confirm receipt of these in writing and that they understand the information contained therein. Any changes to the guidance issued by the Charity Commission will be considered by the appropriate director, and where necessary, discussed at a meeting of the Council of Management.

RISK MANAGEMENT

The directors have considered the major risks that the Swanage Railway Trust and its trading subsidiary face when developing strategies and strategic plans for the future. The major risks are lack of funding to prevent the Trust from achieving its objectives and operational issues for the trading subsidiary. These risks may cause a delay in the Trust achieving its objectives or curtail the operations of the trading subsidiary. Where appropriate directors obtain the assistance of experts in the various areas that are a risk to the Trust or its trading subsidiary.

THE SWANAGE RAILWAY TRUST
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2013

RELATED PARTIES

The charity acknowledges a relationship with:-

The Swanage Railway Company Limited
6695 Locomotive Group
Southern Locomotives Engineering Limited

Drummond Locomotives Limited
Southern Locomotives Ltd

The Swanage Railway Trust holds a controlling interest in the Swanage Railway Company Limited, which assists the Trust in meeting its objectives by operating the Swanage Railway and undertaking the associated trading activities. Whilst the company has a paid staff it is still heavily dependent on the supply of volunteers by the Trust for the operation of its train services and the maintenance and development of the railway.

A number of the directors of the Swanage Railway Trust are also directors of the Swanage Railway Company Limited. It is current Trust policy that the majority of voting Directors of the Swanage Railway Company are also Directors of the Swanage Railway Trust.

VOLUNTEERS

The charity is heavily dependent on the volunteers who perform many different tasks to assist with the management, administration, maintenance and operation of the railway.

FINANCIAL REVIEW

The level of consolidated income has increased largely because of the capital grants from outside organisations which were made to the trading subsidiary. The number of passengers carried by the trading subsidiary has shown an increase of 10.2% over the previous year. This has resulted in a corresponding increase in both fare income and associated revenue. Overall, incoming resources have increased by £320,145 (12.7%) while resources expended have also increased by £64,836 (2.9%). The Trust has continued to make grants to the Swanage Railway Company Limited for the restoration and construction of railway buildings and rolling stock which are part of the objectives of the Trust. The grants paid were £46,630 from Unrestricted Funds.

Consolidated funds total £3,510,824 (2012 - £2,996,436). The total surplus for the year is £514,388 (2012 - £524,351). There is a requirement for a high level of reserves given the substantial investment by the Trust and its subsidiary in fixed assets.

RESERVES POLICY

The Trust has a requirement for a high level of reserves due to its large investment in fixed assets for both the charity and its trading subsidiary and for setting aside resources for future projects.

Where funds have been raised for specific projects, the Trust maintains separate funds either as restricted or designated funds – see notes 19 and 20.

THE SWANAGE RAILWAY TRUST
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2013

RESERVES POLICY (CONTINUED)

The available reserves of the Trust are as follows:

Total consolidated funds at 31 December 2013	£ 3,510,824
Less:-	
- Fixed assets	2,827,427
- Restricted funds held in bank balances	73,071
- Designated funds	264,215
Net reserves	<hr/> 346,111 <hr/>

The Trust will continue to make grants to its trading subsidiary for the purchase of fixed assets in 2014 which will reduce the available reserves shown above. In view of the expenditure required for Project Wareham and also meeting the locomotive policy it is anticipated that reserves will reduce over the next few years.

The Directors review the finances of the Trust each month at the Council of Management meetings.

FUTURE PLANS

The trust intends to use its resources to develop its museum facilities and collections and to restore further items of equipment appropriate to its need for use on the Swanage Railway. The Trust's subsidiary continues to be engaged in the development of plans for the restoration of commercial services to Wareham. The award of a £1.4 million grant in January 2013 from the Coastal Communities Fund will enable the plans to be expedited in 2014/15.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgments and estimates that are reasonable and prudent;

THE SWANAGE RAILWAY TRUST
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2013

STATEMENT OF DIRECTORS' RESPONSIBILITIES (CONTINUED)

- State whether UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

In so far as the directors are aware there is no relevant audit information of which the company's auditors are unaware; and the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

By Order of the Directors

M R Woolley



Company Secretary

21 June 2014

THE SWANAGE RAILWAY TRUST

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND DIRECTORS OF THE SWANAGE RAILWAY TRUST

We have audited the financial statements of The Swanage Railway Trust for the year ended 31 December 2013 which comprise the consolidated statement of financial activities, the consolidated and parent company balance sheets and the related notes. The financial reporting framework that has been applied in their preparation is applicable in law and under United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Directors' Responsibilities Statement set out on pages 6 and 7 the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/apb/scope/private.cfm.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2013 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006 and the Charities Act 2011.

THE SWANAGE RAILWAY TRUST

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND DIRECTORS OF THE SWANAGE RAILWAY TRUST (CONTINUED)

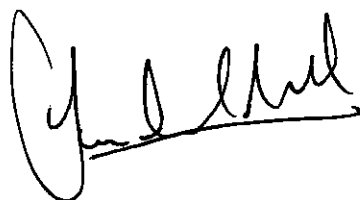
OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- the group and parent charitable company has not kept adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the group and parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Mr I Rodd ACA FCCA
Senior Statutory Auditor
c/o Ward Goodman Limited
4 Cedar Park
Cobham Road
Ferndown Industrial Estate
Wimborne
Dorset BH21 7SF

Date: 21st June 2014

THE SWANAGE RAILWAY TRUST
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2013
(INCORPORATING A CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT)

	Notes	Unrestricted Funds 2013 £	Restricted Funds 2013 £	Total 2013 £	Total 2012 £
Incoming Resources					
Incoming resources from generated funds					
Activities for generating funds:					
Voluntary Income:					
Appeals, donations and covenants	2	272,041	66,763	338,804	257,243
Activities for generating funds					
Membership subscriptions	2	32,224	-	32,224	32,448
Fund raising and other income	2	31,616	-	31,616	19,517
Trading income	2	2,427,394	38,599	2,465,993	2,160,653
Capital grants received	2	64,483	-	64,483	369,691
Interest receivable	2	1,643	-	1,643	107
Total Incoming Resources		2,829,401	105,362	2,934,763	2,839,659
Resources Expended					
Cost of generating funds					
Trading expenses		2,260,529	-	2,260,529	2,151,196
Fundraising costs	4	6,025	-	6,025	
Charitable activities	4	116,014	29,120	145,134	146,960
Governance costs	4	19,543	-	19,543	16,902
Total Resources Expended		2,402,111	29,120	2,431,231	2,315,058
Net Incoming Resources	19 & 20	427,290	76,242	503,532	524,601

The notes on pages 14 to 29 form part of these financial statements.

THE SWANAGE RAILWAY TRUST

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2013
(INCORPORATING A CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT)**

	Notes	Unrestricted Funds 2013 £	Restricted Funds 2013 £	Total 2013 £	Total 2012 £
Revaluation adjustment	18	10,856	-	10,856	(250)
Transfers between funds	19 & 20	(24,390)	24,390	-	-
Net Movement In Funds		413,856	100,632	514,388	524,351

Funds at 1 January 2013	19 & 20	2,427,860	568,576	2,996,436	2,472,085
Funds at 31 December 2013	19 & 20	2,841,616	669,208	3,510,824	2,996,436

All incoming resources and resources expended derive from continuing activities.

	2013 £	2012 £
Total recognised gains as Defined by the Companies Act 2006	503,532	524,601

The notes on pages 14 to 29 form part of these financial statements.

THE SWANAGE RAILWAY TRUST

CONSOLIDATED AND CHARITY BALANCE SHEETS FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	Trust and Subsidiary		Trust	
		2013 £	2012 £	2013 £	2012 £
Fixed Assets					
Tangible Fixed Assets					
Freehold Property	6	30,000	30,000	30,000	30,000
Infrastructure, plant and equipment	9	206,911	152,047	206,911	152,047
Assets held by trading subsidiary	10	2,219,351	1,792,355	-	-
Heritage Assets	7,8	296,934	279,297	296,934	279,297
Investments in:-					
Swanage Railway Company Limited	11	-	-	468,985	468,985
Locomotive and carriage groups	12	67,450	72,450	67,450	72,450
Total fixed assets		2,820,646	2,326,149	1,070,280	1,002,779
Current Assets					
Stocks	13	101,620	72,064	-	-
Debtors and prepayments	14	93,221	93,517	172,767	104,304
Cash at bank and in hand		823,544	759,871	671,354	709,256
		1,018,387	925,452	844,121	813,560
Creditors: Amounts falling due					
Within one year					
Members' loans	15	-	(14,450)	-	(14,450)
Creditors and accruals	16	(284,641)	(200,877)	(26,178)	(15,553)
Total current liabilities		(284,641)	(215,327)	(26,178)	(30,003)
Net Current Assets		733,746	710,125	817,943	783,557
Total assets less current liabilities		3,554,392	3,036,274	1,888,223	1,786,336
Creditors: Amounts falling due					
After more than one year					
Life membership equalisation account	16 &17	(29,118)	(39,838)	(29,118)	(39,838)
Members Loans	15 & 16	(14,450)	-	(14,450)	-
Total long term liabilities		(43,568)	(39,838)	(43,568)	(38,838)
Net Assets		3,510,824	2,996,436	1,844,655	1,746,498

The notes on pages 14 to 29 form part of these financial statements.

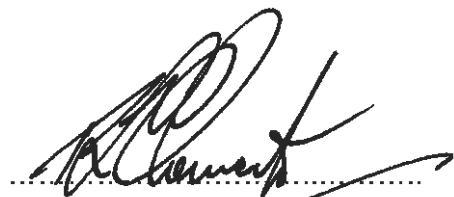
THE SWANAGE RAILWAY TRUST

CONSOLIDATED AND CHARITY BALANCE SHEETS FOR THE YEAR ENDED 31 DECEMBER 2013


	Notes	Trust and Subsidiary		Trust	
		2013 £	2012 £	2013 £	2012 £
Unrestricted Funds					
General funds	19	2,580,031	1,893,350	1,528,327	1,503,060
Revaluation funds	18	29,144	18,288	29,144	18,288
		<u>2,609,175</u>	<u>1,911,638</u>	<u>1,557,471</u>	<u>1,521,348</u>
Restricted funds	20	669,208	586,576	287,184	225,150
Swanage Railway Company Limited Profit and loss account surplus		214,463	498,244	-	-
Minority shareholdings		17,978	17,978	-	-
		<u>3,510,824</u>	<u>2,996,436</u>	<u>1,844,655</u>	<u>1,746,498</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

These financial statements were approved by the directors and authorised for issue on 21 June 2014, and are signed on their behalf by :



P T Clements
Director



Mr G C Johns
Director

THE SWANAGE RAILWAY TRUST

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2013

1. ACCOUNTING POLICIES

1.1 Accounting Convention

The Financial statements have been prepared under the historical cost convention as modified by the revaluation of the locomotives and rolling stock and are in accordance with applicable Accounting Standards, the Companies Act 2006 and the Charities Accounting Statement of Recommended Practice (SORP 2005).

1.2 Basis of Consolidation

The consolidated accounts incorporate the financial statements of The Swanage Railway Trust and its subsidiary the Swanage Railway Company Limited. The results of the subsidiary are consolidated on a line by line basis.

1.3 Incoming Resources

Membership income:

Annual subscriptions from members are included in full in the year they are received. Life membership subscriptions are credited to the life membership account and from there to income in equal annual instalments over ten years.

Voluntary income and donations:

All voluntary income and donations are accounted for gross when received. Due to the nature of donations and fund raising income the directors have no control over this until received and entered into the records.

Trading income: Income from the subsidiary trading company is included in the period in which it is generated.

Legacy income: Legacy income is recognised at the earlier of the charity being notified or the legacy being received.

1.4 Resources Expended

All resources expended are classified under activity headings that aggregate all costs related to the category.

- Cost of generating funds comprises the costs of fundraising and trading activities.
- Charitable activities include the costs incurred directly in the fulfillment of the Charity's objectives.
- Governance costs represent those costs of the strategic management of the charity and of complying with constitutional and statutory requirements.

Liabilities are recognised as resources expended once there is a legal or constructive obligation to make a payment to a third party.

All expenditure is included in the Statement of Financial Activities on an accruals basis net of recoverable VAT.

THE SWANAGE RAILWAY TRUST

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

1. ACCOUNTING POLICIES – CONTINUED

1.5 Operating Leases

Rentals payable under operating leases are charged to the Statement of Financial Activities as incurred over the term of the lease.

1.6 Tangible Fixed Assets

Fixed assets are included at cost or valuation. There are no uncapitalised fixed assets. Expenditure on repairs and renewals and minor items of equipment is written off in the year in which it is incurred.

Freehold land is not depreciated.

1.7 Heritage Assets

Part of the Objectives of the Trust are to acquire, restore, preserve and manage heritage locomotives and rolling stock. These assets are included in the accounts of the Trust at valuation and are not subject to an annual depreciation charge, as in the opinion of the directors the nature of the assets concerned and the level of maintenance is such that there is no significant annual depreciation. Any permanent diminution in the value of such assets is charged to the Consolidated Statement of Financial Activities when recognised in accordance with FRS11.

Detailed information on the locomotives and rolling stock of the Trust and its subsidiary company can be found at www.swanagerailway.co.uk.

The Swanage Railway Company Limited locomotives are depreciated at 10% on a straight line basis.

1.8 Infrastructure, plant and equipment

Infrastructure, plant and equipment are stated in the balance sheet at cost less accumulated depreciation. Depreciation is calculated to write off the cost of the assets concerned on a straight line basis over their estimated useful lives at the following rates:-

Infrastructure and railway buildings	4%
Plant and equipment	15%

1.9 Assets held by trading subsidiary

Tangible fixed assets are stated in the balance sheet at cost less accumulated depreciation. Depreciation is calculated to write off the cost of tangible fixed assets on a reducing balance and straight line basis over their estimated useful lives using rates between 10% and 25%.

1.10 Stocks

Stocks are valued at the lower of cost or net realisable value.

1.11 Investments

All investments in locomotive preservation groups are stated at cost.

Investment in the Trust's subsidiary company the Swanage Railway Company Limited is stated at cost.

THE SWANAGE RAILWAY TRUST

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

1. ACCOUNTING POLICIES – CONTINUED

1.12 Fund accounting

Unrestricted funds are available to use to further any of the purposes of the charity, at the discretion of the trustees.

Designated funds are unrestricted funds of the charity which have been set aside by the trustees to fund particular activities of the charity.

Restricted funds are donated for particular areas of the charity work or specific projects undertaken. Restrictions arise when specified by the donor, by the trust deed or when funds are raised for particular restricted purposes.

1.13 Financial Instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all its liabilities.

2. Voluntary and trading income

	Unrestricted Funds 2013 £	Restricted Funds 2013 £	Total 2013 £	Total 2012 £
Appeals, donations, covenants & legacies	272,041	66,763	338,804	257,243
Membership subscriptions	32,224	-	32,224	32,448
Fundraising and other income	31,616	-	31,616	19,517
Capital grants	64,483	-	64,483	26,265
Interest receivable	1,643	-	1,643	107
Total Trust income	402,007	66,763	468,770	335,580

THE SWANAGE RAILWAY TRUST

**NOTES TO THE CONSOLIDATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2013 (CONTINUED)**

2. ACTIVITIES FOR GENERATING FUNDS (CONTINUED)

	Unrestricted Funds 2013 £	Restricted Funds 2013 £	Total 2013 £	Total 2012 £
Company				
Capital grants				
Dorset County Council	-	10,616	10,616	331,575
Chalk & Cheese	-	27,983	27,983	11,851
National Lottery Big Fund	73,940	-	73,940	-
Passenger takings	1,833,093	-	1,833,093	1,631,062
Shop income	156,552	-	156,552	167,677
Catering income	236,368	-	236,368	252,258
Other income	127,441	-	127,441	109,656
Total	<u>2,427,394</u>	<u>38,599</u>	<u>2,465,993</u>	<u>2,504,079</u>
Consolidated Total	<u>2,829,401</u>	<u>105,362</u>	<u>2,934,763</u>	<u>2,839,659</u>

3. NET INCOME FROM TRADING ACTIVITIES OF SUBSIDIARY

The Trust discharges part of its charitable objectives through its subsidiary the Swanage Railway Company Limited, a company incorporated in the UK. A summary of the trading results including intergroup trading is set out below. Audited Accounts are filed with Companies House.

	2013 £	2012 £
Turnover	2,369,446	2,166,211
Cost of sales	<u>(823,430)</u>	<u>(889,523)</u>
Gross profit	1,546,016	1,276,688
Administrative expenses	<u>(1,476,807)</u>	<u>(1,256,892)</u>
Operating profit	69,209	19,796
Interest payable	<u>(1,469)</u>	<u>(5,886)</u>
Profit on ordinary activities	67,740	13,910
Gift Aid to The Swanage Railway Trust	<u>(67,740)</u>	<u>-</u>
Retained profit for the year	<u>-</u>	<u>13,910</u>
Net assets	<u>985,207</u>	<u>985,207</u>

THE SWANAGE RAILWAY TRUST

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

4. CHARITABLE ACTIVITIES

ANALYSIS OF TOTAL RESOURCES EXPENDED

	Premises costs	Admin and other	Depreciation	Total 2013	Total 2012
	£	£	£	£	£
Charitable Activities:					
Rent	82,585	-	-	82,585	35,962
Rates & utilities	10,527	-	-	10,527	2,090
Printing & stationery	-	26,163	-	26,163	25,139
Repairs & other	16,852	2,155	6,852	25,859	83,769
Total charitable activities	109,964	28,318	6,852	145,134	146,960
Costs of generating funds:					
Fundraising costs	-	6,025	-	6,025	-
Total cost of generating funds	-	6,025	-	6,025	-
Governance costs:					
Auditors remuneration	-	11,200	-	11,200	3,400
Investments written off	-	5,000	-	5,000	-
Bad debts written off	-	180	-	180	-
Other	-	3,163	-	3,163	13,502
Total other costs	-	19,543	-	19,543	16,902
Total resources expended	109,964	19,543	6,852	170,702	163,892

5. DIRECTORS AND EMPLOYEES

	Trust and Subsidiary		Trust	
	2013	2012	2013	2012
	£	£	£	£
Staff costs including directors' emoluments				
Wages and salaries	685,687	638,427	7,758	7,979
Social security costs	50,453	47,698	1,242	1,021
	<u>736,140</u>	<u>686,125</u>	<u>9,000</u>	<u>9,000</u>

The Swanage Railway Company Limited had 36.5 (2012 – 37.5) employees at the year end, excluding directors. Some of the salary costs are recharged to the Swanage Railway Trust.

None of the directors of either The Swanage Railway Trust or the Swanage Railway Company Limited received any remuneration for their services and no expenses were reimbursed to the directors during the year.

The Swanage Railway Trust and the Swanage Railway Company Limited are both heavily reliant on volunteer staff in all areas of their activities.

There were no employees with emoluments above £60,000 in the SRC or SRT

THE SWANAGE RAILWAY TRUST

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

6. FIXED ASSET SCHEDULE : FREEHOLD PROPERTY

Cost	2013
As at 1 January 2013 and at 31 December 2013	<u>£30,000</u>

7. HERITAGE ASSETS : LOCOMOTIVES AND ROLLING STOCK

Description	Cost/Valuation As at 1 January 2013 £	Additions £	Disposals £	Valuation Adjustment £	Cost/Valuation As at 31 December 2013 £
Locomotives:					
48DL Ruston Hornby Diesel	1,046	-	-	4,954	6,000
Fowler 0-4-0 Diesel Mechanical May	1,250	-	-	250	1,500
Hibberd 4-wheel Petrol Shunter 2054 'Beryl'	250	-	-	-	250
Vans and Wagons:					
PMV,S1638S	600	-	-	-	600
PMV S2212S	1,000	-	-	-	1,000
Scenery Van S4594	2,000	-	-	3,000	5,000
Match Wagon ADB 502826	426	-	-	-	426
Crane DS2009	428	-	-	2,572	3,000
Brighton B Van S256S	18,372	-	-	(13,372)	5,000
Walrus ballast hopper 62070	250	-	-	-	250
Tank wagon 48442	250	-	-	-	250
Crane cc 1101 (FBC2)	-	-	-	-	-
LSWR 8 plank open wagon S59342	250	-	-	-	250
Coaches:					
Pullman Observation Car 14	86,871	-	-	(8,687)	78,184
GBLV ;'Churchill' bogie van S2464S	22,832	-	-	(2,282)	20,550
QMAS	94	-	-	(94)	-
Ironclad TK S728S	1,930	-	-	-	1,930
Bulleid RTO S1457S	2,650	-	-	-	2,650
Bulleid B TSO S4365S	68,438	-	-	(6,844)	61,594
Bulleid B TSO S4366S	3,000	-	-	-	3,000
Bullied S5761S	61,860	6,781	-	31,359	100,000
Maunsell 6697	1,000	-	-	-	1,000
Maunsell 1323	2,000	-	-	-	2,000
Maunsell 6699	2,000	-	-	-	2,000
Maunsell 1346	-	-	-	-	-
LSWR carriage body 2296	250	-	-	-	250
LSWR carriage body 4550	250	-	-	-	250
Total	<u>279,297</u>	<u>6,781</u>	<u>-</u>	<u>10,856</u>	<u>296,934</u>

THE SWANAGE RAILWAY TRUST

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

8. HERITAGE ASSETS : LOCOMOTIVES AND ROLLING STOCK (CONTINUED)

The total at 31 December 2013 of £296,934 is split as to cost £200,708 and assets at valuation £96,226.

The Trust's locomotives and rolling stock are included in the accounts at valuation which was carried out in December 2013 by those directors of the company who have knowledge of the value of such assets. They are not subject to an annual depreciation charge, as in the opinion of the directors the nature of the assets concerned and the level of maintenance is such that there is no significant annual depreciation.

Any permanent diminution in the value of such assets is charged to the Consolidated Statement of Financial Activities when recognised in accordance with FRS11 and deducted from unrestricted funds.

A five year summary of heritage asset transactions is as follows:-

	2009	2010	2011	2012	2013
Additions - at cost	14,898	87,776	19,567	5,031	6,781
Disposals – at carrying value	700	-	-	-	-
Disposals – sale proceeds	5,800	-	-	-	-

9. FIXED ASSET SCHEDULE : INFRASTRUCTURE, PLANT AND EQUIPMENT

	Plant and Equipment £	Railway Buildings £	Signal Equipment £	Office Equipment £	Total £
Cost or valuation					
At 1 January 2013	12,596	269,850	10,482	2,630	295,558
Additions	-	59,362	-	2,355	61,717
At 31 December 2013	12,596	329,212	10,482	4,985	357,275
Depreciation					
As at 1 January 2013	12,596	118,604	10,482	1,829	143,511
Charge for the year	-	6,779	-	74	6,853
At 31 December 2013	12,596	125,383	10,482	1,903	150,364
Net Book Value					
At 31 December 2013	-	203,829	-	3,082	206,911
At 31 December 2012	-	151,246	-	801	152,047

THE SWANAGE RAILWAY TRUST

**NOTES TO THE CONSOLIDATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2013 (CONTINUED)**

10. TANGIBLE FIXED ASSETS – HELD BY TRADING SUBSIDIARY

	Land And Buildings	Locomotives and Rolling Stock	Plant Machinery and Equipment	Shop Fittings and Equipment	Permanent Way and other assets	Total
Cost	£	£	£	£	£	£
At 1 January 2013	392,960	693,113	457,099	37,684	1,001,260	2,582,116
Additions	388,197	70,982	44,935	4,106	61,660	569,880
Disposal	-	-	-	-	-	-
As 31 December 2013	781,157	764,095	502,034	41,790	1,062,920	3,151,996
Depreciation						
At 1 January 2013	62,714	369,141	266,732	15,162	76,012	789,761
Charge for the year	27,024	60,012	25,195	4,780	25,873	142,884
Adjustments on disposals	-	-	-	-	-	-
At 31 December 2013	89,738	429,153	291,927	19,942	101,885	932,645
Net Book Value						
At 31 December 2013	691,419	334,942	210,107	21,848	961,035	2,219,351
At 31 December 2012	330,246	323,972	190,367	22,522	925,248	1,792,355

11. INVESTMENT IN THE SWANAGE RAILWAY COMPANY LIMITED

The Trust discharges part of its charitable objectives through its subsidiary, the Swanage Railway Company Limited, which operates the Swanage Railway and undertakes the associated trading activities.

The share structure of the Swanage Railway Company Limited is such that The Swanage Railway Trust is the only shareholder who can hold voting shares in the Company. The effect of this structure is that The Swanage Railway Trust controls the Swanage Railway Company Limited.

An extract from the Balance Sheet of the Swanage Railway Company Limited at 31 December 2013 is as follows:-

	2013	2012
	£	£
Fixed assets	2,219,351	1,792,355
Current assets	316,558	208,545
Current liabilities	<u>(418,433)</u>	<u>(278,699)</u>
Total assets less current liabilities	2,117,476	1,722,201
Creditors due in more than one year	<u>1,132,269</u>	<u>736,994</u>
	<u>985,207</u>	<u>985,207</u>
Called up share capital	486,963	486,963
Profit and loss account	<u>498,244</u>	<u>498,244</u>
	<u>985,207</u>	<u>985,207</u>

THE SWANAGE RAILWAY TRUST

**NOTES TO THE CONSOLIDATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2013 (CONTINUED)**

12. INVESTMENT IN LOCOMOTIVE AND CARRIAGE GROUPS

The Trust is the beneficial owner of a number of shares in the following Locomotive Preservation Groups:-

Loco and Carriage Group	Number of Shares Held	Total Shares Issue	Shares written off	Cost or Valuation £
Southern Locomotives Limited	236	7,711	-	57,500
Drummond Locomotives Limited	52	1,223	-	5,200
Project 62	4	218	-	1,000
Swanage Railway Carriage Group	35	419	35	-
6695 Locomotive Group	15	278	-	3,750
				<u>67,450</u>

The shares held in the Swanage Railway Carriage Group are stated in the balance sheet at valuation.

The shares held in the four loco groups are stated in the balance sheet at cost. Due to the nature of the investment no provision has been included for any decrease or increase in the value of the Trust's holding. This is with the exception of the Swanage Railway Carriage Group which the directors believe to be no longer in existence. The value of this investment has therefore been impaired in this period.

A number of the directors of The Swanage Railway Trust and the directors of the trading subsidiary Swanage Railway Company Limited are shareholders in these and other locomotive preservation groups from whom the company hires locomotives and purchases engineering services. The directors' interests are disclosed in Note 23 to the accounts.

13. STOCKS

	Trust and Subsidiary		Trust	
	2013	2012	2013	2012
	£	£	£	£
Shop stocks for resale	77,574	50,884	-	-
Catering stock	4,155	2,712	-	-
Consumable stocks	11,166	4,692	-	-
Special events stock	5,979	2,442	-	-
Signals & telegraphs stock	1,079	2,245	-	-
Locomotive and carriages	1,667	9,089	-	-
	<u>101,620</u>	<u>72,064</u>	<u>-</u>	<u>-</u>

Stocks are valued at the lower of cost and net realisable value.

THE SWANAGE RAILWAY TRUST

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

14. DEBTORS AND PREPAYMENTS

	Trust and Subsidiary		Trust	
	2013 £	2012 £	2013 £	2012 £
Trade debtors	29,375	26,704	21,170	452
Loan to the Swanage Railway Company Limited	-	-	127,591	96,653
Other debtors	56,629	49,136	17,213	4,475
Prepayments	7,217	17,677	6,793	2,724
	<u>93,221</u>	<u>93,517</u>	<u>172,767</u>	<u>104,304</u>

In 2006 the Swanage Railway Trust made a loan to the Swanage Railway Company Limited for a period of 10 years that is repayable in equal monthly instalments. During 2012 a short term loan was made to the Swanage Railway Company Limited.

At the balance sheet date Swanage Railway Company Limited also owes Swanage Railway Trust £67,740, being its profits for the period.

The total amount outstanding on these loans and profits passed up to the charity at 31 December 2013 was £127,591 (2012: £96,653). The long term loan will be fully repaid in 2016. The amount of the loan at 31 December 2013 that was repayable in more than a year was £31,160 (2012 - £58,382).

Interest is charged at 1.5% above the banks base lending rate and the amount of interest charged in the year was £1,469 (2012 - £5,886).

15. MEMBERS LOANS

	2013 £	2012 £
Members' loans	<u>14,450</u>	<u>14,450</u>

The Trust has received various interest free loans in respect of special projects which are unsecured and have no specific date for repayment. These loans have been reclassified as a creditor due more than one year in the financial year to 31 December 2013 to better reflect the substance of the loans.

THE SWANAGE RAILWAY TRUST

**NOTES TO THE CONSOLIDATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2013 (CONTINUED)**

16. CREDITORS AND ACCRUALS

	Trust and Subsidiary		Trust	
	2013	2012	2013	2012
Due within one year	£	£	£	£
Trade creditors	158,637	118,606	3,853	3,963
Life membership equalisation account	10,658	4,873	10,658	4,873
Other creditors and accruals	115,346	77,398	11,667	6,717
	<u>284,641</u>	<u>200,877</u>	<u>26,178</u>	<u>15,553</u>
Due more than one year				
	Trust and Subsidiary		Trust	
	2013	2012	2013	2012
Due within one year	£	£	£	£
Members Loans	14,450	-	14,450	-
Life membership equalisation account	29,118	39,838	29,118	39,838
	<u>43,568</u>	<u>39,838</u>	<u>43,568</u>	<u>39,838</u>

17. LIFE MEMBERSHIP

Life membership subscriptions are credited to the accounts and released over ten years.
The movements during the year were:-

	2013	2012
	£	£
Balance at start of year	44,711	64,912
Membership sold in year	-	-
Premier life memberships	(11,097)	(12,647)
Life member subscriptions	<u>(456)</u>	<u>(936)</u>
	33,158	51,329
Add: PLM subscriptions brought forward	<u>6,618</u>	<u>(6,618)</u>
Balance at close of year	39,776	44,711
Shown in:-		
Creditors under 1 year	10,658	4,873
Creditors over 1 year	<u>29,118</u>	<u>39,838</u>
	<u>39,776</u>	<u>44,711</u>

Both Premier Life Membership and Life membership have now closed to new applicants.

THE SWANAGE RAILWAY TRUST

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

18. REVALUATION RESERVE

	2013	2012
	£	£
At 1 January 2013	18,288	18,538
Revaluation of assets in year	10,856	(250)
At 31 December 2013	29,144	18,288

The Trust's rolling stock was fully revalued in December 2013 and the revaluation was adopted by the directors in preparing these accounts.

19. UNRESTRICTED FUNDS

The balance of the unrestricted fund may be reconciled as follows:-

	General Reserves 2013	Designated Funds 2013	Total 2013
	£	£	£
Opening balance	2,169,499	258,361	2,427,860
Surplus for the year	408,002	5,854	413,856
Balance per consolidated balance sheet	2,577,501	264,215	2,841,716

Designated funds comprise of the following:-

	Balance At 1 January 2013	Movement in Funds			Balance At 31 December 2013
	£	Incoming Resources £	Resources Expended £	Transfers £	£
Sygnets B van	1,236	709	(206)	-	1,739
Shower block	8,280	-	(1,145)	(7,135)	-
Carriage shed	35,449	-	-	-	35,449
Locomotive maintenance	15,000	-	(15,000)	-	-
Maunsell 1346	5	-	-	-	5
DMU117	1,845	-	-	-	1,845
Infrastructure appeal	18,926	-	(18,926)	-	-
Swanage canopy	146,229	-	(141,078)	-	5,151
Goods shed	-	-	(100,374)	110,000	9,626
Court Road eng	-	-	(42,153)	70,000	27,847
Team Herston	-	-	-	666	666
Book wagon	-	-	(1,616)	1,700	84
Education and Museum	-	-	(6,277)	32,250	25,973
Heritage coaches	-	-	-	100,000	100,000
Loco Purchasing	-	-	-	53,000	53,000
Other special projects	31,391	580	(28,141)	(1,000)	2,830
	258,361	1,289	(354,916)	359,481	264,215

THE SWANAGE RAILWAY TRUST

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

19. UNRESTRICTED FUNDS (CONTINUED)

Designated funds are designated by the Council of Management for the following purpose:-

- Sygnets B van – the renovation of a brake van for the use of the Sygnets
- Shower block – the construction of a shower block for the use of volunteers and staff
- Carriage shed – the construction of a carriage shed
- Locomotive maintenance – to improve maintenance facilities for locomotives
- Maunsell 1346 and DMU117 – the restoration of these vehicles
- Infrastructure appeal – track renewal
- Swanage canopy – work on the canopy at Swanage station
- Goods shed – the refurbishment of Swanage Goods shed
- Court road eng – the construction of an engineering workshop
- Team Herston – to promote Herston Halt
- Bookwagon – to create a bookstall at Corfe Castle
- Education and museum – to promote education of the railway and museum
- Heritage coaches – the refurbishment of heritage coaches
- Loco purchasing – funds for future purchase of locomotives
- Other special projects – the restoration of various historic engines, wagons and structures around the railway.

20. RESTRICTED FUNDS

The income funds of the charity include restricted funds in respect of unexpended balances of donations which are to be applied for the following specific purposes:-

	Balance At 1 January 2013	Movement in Funds			Balance At 31 December 2013
	£	Incoming Resources £	Resources Expended £	Transfers £	£
The 200 Club	49,036	18,630	(22,577)	-	45,089
The Southern Carriage Account	22,554	-	-	-	22,554
Mercury Group New Company Appeal	191	-	-	-	191
Mining Museum Group	35,816	11,675	(6,543)	-	40,948
257 Squadron Appeal	86,794	36,458	-	24,390	147,642
Charity	30,759	-	-	-	30,759
	<u>225,150</u>	<u>66,763</u>	<u>(29,119)</u>	<u>24,390</u>	<u>287,183</u>
Dorset County Council	331,575	10,616	-	-	342,191
Chalk & Cheese	11,851	27,983	-	-	39,834
Consolidated	<u>568,576</u>	<u>105,362</u>	<u>(29,120)</u>	<u>24,390</u>	<u>669,208</u>

THE SWANAGE RAILWAY TRUST

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

20. RESTRICTED FUNDS (CONTINUED)

The balance on a restricted fund is held in separate bank accounts except for the following funds which are composed :-

	Fixed Assets £	Bank £	Total £
The 200 Club	25,770	19,319	45,089
The Southern Carriage Account	22,554	-	22,554
257 Squadron Appeal	30,759	-	30,759
Mining Museum Group	135,029	12,613	147,642
Dorset County Council	342,191	-	342,191
Chalk & Cheese	39,834	-	39,834
Restricted funds held in charity bank accounts	<u>-</u>	<u>41,139</u>	<u>41,139</u>
			<u>669,208</u>

The purpose of the restricted funds is as follows:-

- The 200 Club – to raise funds for the ongoing enhancement of Corfe Castle Station.
- The Southern Carriage Account – to raise funds for the restoration of heritage coaches.
- The Mercury Group – to promote the Swanage Railway and assist with special projects.
- The New Company Appeal – to raise funds for the development of the project to operate services to Wareham.
- Mining Museum Group Donations – to raise funds for the improvement of the Mining Museum at Norden.
- The 257 Squadron Appeal – to promote the overhaul of the locomotive, 257 Squadron, for future use on the Swanage Railway.
- Grants were received during 2012 from Dorset County Council and Chalk & Cheese by the Swanage Railway Company. These grants were used by the company to finance the purchase of fixed assets.

THE SWANAGE RAILWAY TRUST

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

21. FINANCIAL COMMITMENTS

Financial commitments under non-cancellable operating leases will result in the following payments falling due in the year to 31 December 2013:-

	Trust and Subsidiary		Trust	
	2013	2012	2013	2012
	£	£	£	£
Lease expiring				
-in under 1 year	109,100	109,100	44,850	44,850
-after 1 year but within 5 years	24,734	24,734	22,734	24,734
-after 5 years	164,425	164,425	-	-

Locomotive hire agreements

- a) The Swanage Railway Trust's trading subsidiary, Swanage Railway Company Limited, utilises the motive power and engineering support provided by Southern Locomotives Engineering Limited for which there is an agreement under which Swanage Railway Company Limited pays a fixed amount each year. As detailed in Note 12 and Note 22 a number of the directors of The Swanage Railway Trust and the directors of the trading subsidiary are also directors and/or shareholders in Southern Locomotives Limited, the holding company of Southern Locomotives Engineering Limited.

The amount billed in respect of the year to the trading subsidiary by Southern Locomotives Engineering Limited was £177,190 (2012 - £143,195). At the year end, an amount of £14,748 (2012: £14,479) was owed to Southern Locomotives Engineering Limited.

- b) The Swanage Railway Trust's trading subsidiary, Swanage Railway Company Limited, utilises the motive power provided by Drummond Locomotives Limited. As detailed in Note 23, a number of the directors of The Swanage Railway Trust and the directors of the trading subsidiary are also directors/or shareholders in Drummond Locomotives Limited.

The amount invoiced by Drummond Locomotives Limited to the trading subsidiary for the supply of motive power in respect of the year was £29,094 (2012 - £29,266). At the year end, an amount of £3,637 (2012: £1,488) was owed to Drummond Locomotives Limited. Goods and services totaling £47,887 (2012: £7,947) were sold to Drummond Locomotives Limited. £nil (2012: £7,947) was outstanding at the year end.

22. CAPITAL COMMITMENTS

At 31 December 2013, the Swanage Railway Trust had authorised grants to the Swanage Railway Company Limited of £288,000 to fund capital expenditure.

THE SWANAGE RAILWAY TRUST

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

23. DIRECTORS' INTERESTS (SEE NOTES 12 AND 22)

A number of the directors of The Swanage Railway Trust and its subsidiary the Swanage Railway Company Limited are shareholders in Southern Locomotives Limited and Drummond Locomotives Limited which as detailed in Note 22 have entered into arrangements with the Swanage Railway Company Limited for the provision of motive power and engineering support.

The directors' interests in the shares at 31 December 2013 are as follows:

	Southern Locomotives Ltd No of Ordinary £250 Shares Held	Drummond Locomotives Ltd No of Ordinary £100 Shares Held
Trust:		
N Au	-	-
S J Barker	-	-
T D Buck	-	-
D A Budd	-	10
P T Clements	-	-
G Cope	-	-
J E Gregory	10	-
G C Johns	-	-
I J McDavid	-	-
T Parsons	-	-
Mrs E M Sellen	2	-
M A Stollery	14	12
W S Trite	37	2
M A Whitwam	-	-
M R Woolley	2	-
Subsidiary:		
A L Moore	61	1
Mrs E M Sellen	2	-
M R Woolley	2	-
P N Sills	-	-
K M Potts	-	-

The total issued share capital of Southern Locomotives Limited at 31 December 2013 was 8,139 ordinary £250 shares and that of Drummond Locomotives Limited 1,258 ordinary £100 shares.

24. POST BALANCE SHEET EVENTS

A 99 year lease for Swanage Station was signed on 1st May 2014. A new 99 lease is anticipated for the remainder of the track rental to the boundary with Network Rail at Worgret Junction.